



**DLA CLIFFE DEKKER
HOFMEYR**

EVERYTHING MATTERS

TAX

RATES AND DATES

2010/11

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In a complex commercial environment our tax practice team aims to provide clear and practical tax solutions. Our team integrates tax and legal expertise and market knowledge with an understanding of our clients' business needs to deliver a holistic service.

Our people are committed to building a firm that values diversity and actively contribute to achieving the objectives of black economic empowerment through transformation within the firm and investment in our communities.

From the quality of our legal advice and business insight, to the efficiency of our legal teams, we believe that in the way we serve and interact with clients, **EVERYTHING MATTERS.**



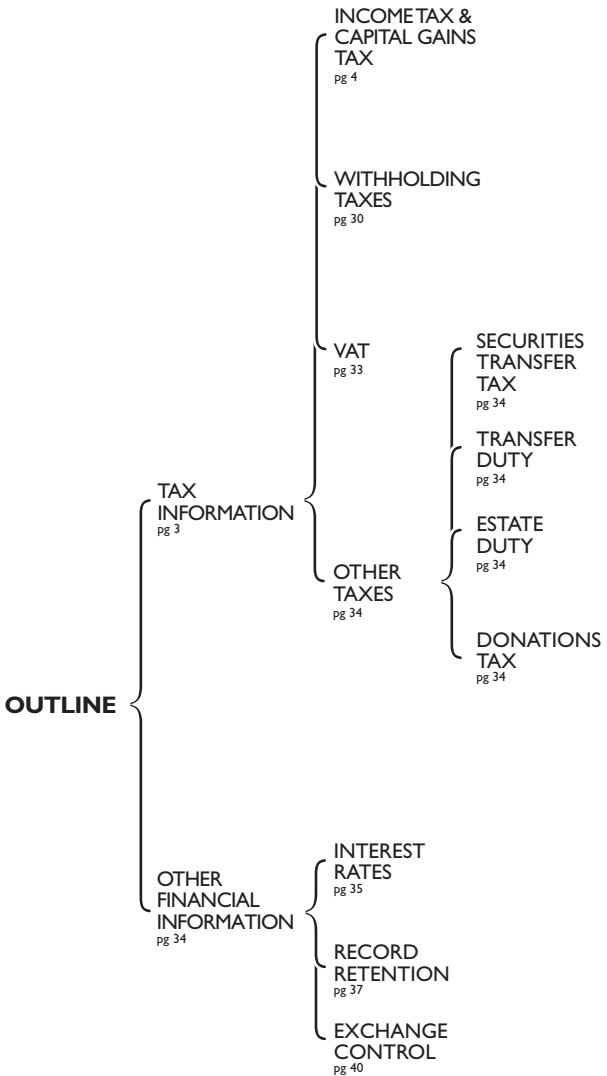
Tax Rates and Dates 2010/2011

Key tax and financial information is essential to managing tax risk in South Africa's complex tax and business environment. Tax Rates and Dates provides quick access to this information, gleaned from various cumbersome statutes, interpretation notes, treaties, regulations and other publications. The information is provided in a clear and concise format without lengthy explanations.

The information contained in this booklet was accurate at the time of publication, September 2010, but should not be acted upon without professional advice.

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FINANCIAL DATA



TAX INFORMATION

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INCOME TAX AND CAPITAL GAINS TAX RATES

INDIVIDUALS AND SPECIAL TRUSTS

NORMAL TAX		Year of assessment ending 28/02/2011
R0 - R140 000	18%	of taxable income
R140 001 - R221 000	R25 200 + 25%	of taxable income above R140 000
R221 001 - R305 000	R45 450 + 30%	of taxable income above R221 000
R305 001 - R430 000	R70 650 + 35%	of taxable income above R305 000
R431 001 - R552 000	R114 750 + 38%	of taxable income above R431 000
Above R552 001	R160 730 + 40%	of taxable income above R552 000

	Rebates	Tax threshold
Primary	R10 260	R57 000
Age 65 and over	R5 675	R88 528

TAX - FREE PORTION OF INTEREST INCOME AND FOREIGN DIVIDENDS

	2011	2010
All natural persons under 65 years of age	R22 300	R21 000
All natural persons 65 years and older	R32 000	R30 000
Foreign interest and dividends exemption	R 3 700	R 3 500

INCOME TAX AND CAPITAL GAINS TAX RATES

INDIVIDUALS AND SPECIAL TRUSTS

TAXATION OF LUMP SUM BENEFITS

Lump sum	Taxable amount	Rate of tax
Retirement or death	Does not exceed R300 000	0%
	Exceeds R300 000 but not R600 000	18%
	Exceeds R600 000 but not R900 000	R54 000 + 27% of amount over R600 000
	Exceeds R900 000	R135 000 + 36% of amount over R600 000
Withdrawal or Resignation	Does not exceed R22 500	0%
	Exceeds R22 500 but not R600 000	18%
	Exceeds R600 000 but not R900 000	R103 950 + 27% of amount over R600 000
	Exceeds R900 000	R184 950 + 36% of amount over R900 000

CAPITAL GAINS TAX

Inclusion rate into taxable income	25%
Effective tax rate on highest marginal rate of 40%	10%
Annual capital gain or loss exclusion	R17 500
Exclusion on death	R120 000
Primary residence exclusion	R1 500 000

* no liability for primary residence with gross value of less than R 2 000 000

INCOME TAX AND CAPITAL GAINS TAX RATES

TRUSTS

NORMAL TAX

Flat rate of tax	40%
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CAPITAL GAINS TAX

Inclusion rate into taxable income	50%
Effective rate	20%

PUBLIC BENEFIT ORGANISATIONS AND RECREATIONAL CLUBS

NORMAL TAX

Income from trading activities	28%
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COMPANIES

NORMAL TAX

	2011	2010
Ordinary companies	28%	28%
South African branch of foreign company	33%	33%
Small business corporations (2011)		
Taxable income from R0 to R57 000	0%	
Taxable income from R57 001 to R300 000	10%	
Taxable income exceeding R300 000	28%	
Small business corporations (2010)		
Taxable income from R0 to R54 200		0%
Taxable income from R54 201 to R300 000		10%
Taxable income exceeding R300 000		28%
Long term insurers		
Individual policyholder fund	30%	30%
Company policyholder fund and corporate fund	28%	28%
Untaxed policyholder fund	0%	0%
Personal service providers	33%	33%
Micro business (turn-over under R1m)	0%-7%	0%-7%
Passive investment holding companies	40%*	N/A

SECONDARY TAX ON COMPANIES

On net amount of dividends declared	10%
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* Effective date to be determined

INCOME TAX AND CAPITAL GAINS TAX RATES

COMPANIES

Year of assessment ending 31 March 2011

CAPITAL GAINS TAX

	Inclusion rate	Effective rate
Ordinary companies	50%	14%
South African branch of foreign company	50%	16.5%
Small business corporations	50%	0%-14%
Long term insurers		
Individual policyholder fund	25%	7.5%
Company policyholder fund and corporate fund	50%	14%
Untaxed policyholder fund	0%	0%
Personal service providers	50%	16.5%
Micro business (turn-over under R 1m)	50%	0%-3.5%
Passive investment holding companies	50%*	20%

HISTORICAL COMPANY TAX RATES

Year**	Normal tax	STC	Branches	Personal Service Providers
2001	30%	12.5%	35%	35%
2002	30%	12.5%	35%	35%
2003	30%	12.5%	35%	35%
2004	30%	12.5%	35%	35%
2005	29%	12.5%	34%	34%
2006	29%	12.5%	34%	34%
2007	29%	12.5%/10%***	34%	34%
2008	28%	10%	33%	33%
2009	28%	10%	33%	33%
2010	28%	10%	33%	33%

* Effective date to be determined

** Year of assessment ending during period beginning 1 April and ending 31 March the following year

*** 12.5% until 30/09/2007

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

MEDICAL EXPENSES

Deduction is claimed by the person who paid the expense

Taxpayers 65-years and older: All qualifying medical expenses

Taxpayers under 65 years old:

Medical aid contributions for
each of first two beneficiaries R670 per month

For each additional beneficiary R410 per month

The deduction is reduced by any amount contributed to the medical aid by the employer on behalf of the taxpayer, which has not been taxed as a fringe benefit.

Other medical expenditure Expenses to the extent that they exceed 7.5% of the taxpayer's taxable income, calculated before considering retirement lump sum benefits and any medical deduction.

Disabled taxpayers or members of his or her household All qualifying medical expenses, including those expenses paid in consequence of the disability.

PENSION AND ANNUITY FUNDS

Pension fund contributions Limited to the greater of 7.5% of retirement funding income; or R1 750

Retirement annuity fund contributions Limited to the greater of 15% of non-retirement funding income; or R3 500*; or R1 750

* less deductible pension fund contributions

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

TRAVEL ALLOWANCE

Portion of allowance subject to Pay As You Earn 80%

From 1 March 2010 a taxpayer is required to maintain an accurate logbook of business distance travelled in order to claim a deduction. The deemed kilometer method thus no longer applies from 1 March 2010.

Schedule of deemed costs

Value of the Vehicle -	Fixed Cost (R)	Fuel Cost (c)	Maintenance Cost (c)
Does not exceed R40 000	14 672	58.6	21.7
Exceeds R40 000 but not R80 000	29 106	58.6	21.7
Exceeds R80 001 but not R120 000	39 928	62.5	24.2
Exceeds R120 001 but not R160 000	50 749	68.6	28
Exceeds R160 001 but not R200 000	63 424	68.8	41.1
Exceeds R200 001 but not R240 000	76 041	81.5	46.4
Exceeds R240 001 but not R280 000	86 211	81.5	46.4
Exceeds R280 001 but not R320 000	96 920	85.7	49.4
Exceeds R320 001 but not R360 000	106 367	94.6	56.2
Exceeds R360 001 but not R400 000	116 012	110.3	75.2
Exceeds R400 000	116 012	110.3	75.2

Business travel expense can be determined in one of two ways -

- (1) The taxpayer can produce accurate data of business and private travel and may deduct the actual cost of business travel, or
- (2) The taxpayer can produce accurate data of the actual business kilometres travelled, and apply the deemed costs to such actual kilometres.

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Albania	Euro	97
Algeria	Euro	161
Angola	US \$	312
Antigua and Barbuda	US \$	220
Argentina	US \$	98
Armenia	US \$	279
Austria	Euro	108
Australia	Australian \$	175
Azerbaijani	US \$	145
Bahamas	US \$	191
Bahrain	B Dinars	36
Bangladesh	US \$	79
Barbados	US \$	202
Belarus	Euro	62
Belgium	Euro	124
Belize	US \$	152
Benin	Euro	89
Bolivia	US \$	61
Bosnia-Herzegovina	Euro	112
Botswana	Pula	799
Brazil	US \$	133
Brunei Darussalam	US \$	88
Bulgaria	Euro	89
Burkina Faso	Euro	100
Burundi	US \$	138
Cambodia	US \$	90
Cameroon	Euro	100
Canada	Canadian \$	156
Cape Verde Islands	Euro	100
Central African Republic	Euro	96
Chad	Euro	121
Chile	US \$	105
China	US \$	157

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Colombia	US \$	94
Comoros	Euro	85
Cook Islands	New Zealand \$	391
Cote D'Ivoire	Euro	124
Costa Rica	US \$	62
Croatia	Euro	111
Cuba	Euro	123
Cyprus	Euro	116
Czech Republic	Euro	95
Democratic Republic of Congo	US \$	221
Denmark	Euro	185
Djibouti	US \$	99
Dominican Republic	US \$	99
Ecuador	US \$	100
Egypt	US \$	90
El Salvador	US \$	80
Equatorial Guinea	Euro	130
Eritrea	US \$	106
Estonia	Euro	96
Ethiopia	US \$	65
Fiji	US \$	100
Finland	Euro	145
France	Euro	217
Gabon	Euro	228
Gambia	Euro	105
Georgia	US \$	261
Germany	Euro	107
Ghana	Euro	110
Greece	Euro	114
Grenada	US \$	151
Guatemala	US \$	85
Guinea	Euro	78
Guinea Bissau	Euro	59

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Guyana	US \$	118
Haiti	US \$	109
Honduras	US \$	67
Hong Kong	Hong Kong \$	1 000
Hungary	Euro	94
Iceland	ISK	42 428
India	US \$	133
Indonesia	US \$	86
Iran	US \$	67
Iraq	US \$	125
Ireland	Euro	240
Israel	US \$	122
Italy	Euro	120
Jamaica	US \$	151
Japan	Yen	18 363
Jordan	US \$	128
Kazakhstan	US \$	103
Kenya	US \$	102
Kiribati	Australian \$	233
Korea	US \$	144
Kuwait (State of)	US \$	152
Kyrgyzstan	US \$	172
Laos	US \$	100
Latvia	US \$	140
Lebanon	US \$	120
Lesotho	Rand	750
Liberia	US \$	97
Libya	US \$	111
Lithuania	Euro	154
Macau	Hong Kong \$	1 196
Macedonia (former Yugoslavia)	Euro	100
Madagascar	Euro	107
Madeira	Euro	290

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Malawi	Malawi Kwacha	21 699
Malaysia	Ringgit	308
Maldives	US \$	202
Mali	Euro	180
Malta	Euro	132
Marshall Islands	US \$	255
Mauritania	Euro	178
Mauritius	US \$	187
Mexico	US \$	86
Moldova	US \$	165
Mongolia	US \$	69
Montenegro	Euro	109
Morocco	US \$	106
Mozambique	US \$	109
Myanmar (Burma)	US \$	74
Namibia	Rand	660
Nauru	Australian \$	278
Nepal	US \$	64
Netherlands	Euro	127
New Zealand	New Zealand \$	160
Nicaragua	US \$	65
Niger	Euro	99
Nigeria	US \$	121
Niue	New Zealand \$	252
Norway	NOK	1700
Oman	Rials Omani	59
Pakistan	US \$	53
Palau	US \$	252
Panama	US \$	108
Papua New Guinea	Kina	285
Paraguay	US \$	70
Peru	US \$	111
Philippines	US \$	105

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Poland	Euro	97
Portugal	Euro	113
Qatar	Qatar Riyals	569
Republic of Congo	Euro	149
Reunion	Euro	164
Romania	Euro	89
Russia	Euro	166
Rwanda	US \$	119
Samoa	Tala	243
Soa Tome	Euro	86
Saudi Arabia	Saudi Riyals	431
Senegal	Euro	219
Serbia	Euro	95
Seychelles	Euro	275
Sierra Leone	US \$	90
Singapore	Singapore \$	195
Slovakia	Euro	81
Slovenia	Euro	80
Solomon Islands	Sol Islands \$	811
Spain	Euro	114
Sri Lanka	US \$	74
St. Kitts and Nevis	US \$	227
St. Lucia	US \$	215
St. Vincent & The Grenadines	US \$	187
Sudan	US \$	121
Suriname	US \$	107
Swaziland	Rand	411
Sweden	Swedish Krona	1255
Switzerland	S Franc	191
Syria	US \$	83
Taiwan	New Taiwan \$	3 769
Tajikstan	US \$	97
Tanzania	US \$	85

DEDUCTIONS AND ALLOWANCES

INDIVIDUALS

SUBSISTENCE ALLOWANCE

Daily amount for travel outside the Republic

Country	Currency	Amount
Thailand	Thai Baht	3 485
Togo	Euro	78
Tonga	Pa'anga	174
Trinidad & Tobago	US \$	213
Tunisia	Tunisian Dinar	118
Turkey	US \$	121
Turkmenistan	US \$	125
Tuvalu	Australian \$	339
Uganda	US \$	96
Ukraine	Euro	131
United Arab Emirates	Dirhams	410
United Kingdom	B Pounds	120
Uruguay	US \$	121
USA	US \$	157
Uzbekistan	US \$	117
Vanuatu	US \$	131
Venezuela	US \$	117
Vietnam	US \$	92
Yemen	US \$	94
Zambia	US \$	119
Zimbabwe	US \$	110
Other countries not listed	US \$	215

Daily amount for travel inside the Republic

Meals and incidental costs in the Republic	R276
Incidental costs only in the Republic	R85

Note: Employee must spend at least one night away from usual place of residence

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Note: Allowances are based on cost and are determined on a straight line basis.

	%
Small items <R7000 (from 1 March 2009) (s11(e))	100
Registration of intellectual property rights (s11(gB))	
Non-capital expenditure	100
Acquisition of intellectual property (s11(gC))	
Expenditure after 1 January 2004 less than R5 000	100
Expenditure after 1 January 2004 greater than R5 000	
Design or similar property	10
Other	5
Scientific or technological research and development (s11D)	
Capital assets brought into use	50:30:20
Research and development (s11B)	
Capital assets brought into use before 2 November 2006	40:20:20:20
Farmers and producers of Bio-Diesel, Bio-Ethanol and environmentally friendly energy (s12B)	
New and unused machinery, implements, utensils	50:30:20
Plant & machinery used directly in process of manufacture or similar process (s12C)	
New or unused acquired or brought into use for first time from 1 March 2002	40:20:20:20
Aircraft and ships used for carrying on a trade	
New and unused	20
Machinery and plant used in a process of manufacture or similar process	20
Lessee hotel keepers	
Implements, utensils or articles let and brought into use for purpose of trade	20
Pipelines, transmission lines and railway lines (s12D)	
Oil Pipelines	10
Transmission lines, railway lines, telephone lines, pipelines	5
Rolling stock (s12 DA)	
Brought into use on or after 1 January 2008 for transportation of goods, people and things	20
Small business corporations (s12E)	
Plant and machinery brought into use for the first time in a process of manufacture	100
All other assets brought into use for the first time from 1 April 2005 (or in terms of s11(e))	50:30:20
Airport and port assets (s12F)	5
Strategic industrial projects (s12G)	
Preferred status projects (limited to lesser of amount invested or R600m)	100

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Non-preferred status projects (limited to lesser of amount invested or R300m)	50%
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Learnership agreements or contracts of apprenticeship/ or learnership entered into before 1 October 2011 (s12H) from years commencing 1/1/2010

On entering into a registered learnership agreement

Able bodied learner that is a party to a registered learnership agreement	R30 000 Commencement allowance for each year registered *
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Disabled learner that is a party to a registered learnership agreement	R50 000 Commencement allowance for each year registered *
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On successful completion of agreement

Able bodied learner	R30 000 Completion allowance for each completed 12 months
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Disabled learner	R50 000 Completion allowance for each completed 12 months
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* In the case of learnerships with a duration of less than 12 months the allowance is prorated.

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Industrial policy projects - additional investment allowance (s12I)

New and unused

Manufacturing asset used in qualifying industrial project with preferred status	55% of cost
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New and unused

Manufacturing asset used in any other qualifying industrial policy project	35% of cost
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Monetary limits on additional investment allowance

Greenfield project with preferred status	R 900m
Any other greenfield project	R 550m

Brownfield project with preferred status	R 550m
Any other brownfield project	R 350m

Industrial policy projects - additional training allowance

Per employee (within 6 years of approval)	Limited to	R 36 000
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Industrial policy project with preferred status	Limited to	R 30m
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Any other industrial policy project	Limited to	R 20m
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Minimum values for cost of all manufacturing assets under an industrial policy project

Greenfield project	Must exceed	R 200m
Brownfield project	Higher of	R 30m; or lesser of R200m or 25% of expenditure to acquire assets previously used in the project

DEDUCTIONS AND ALLOWANCES

BUSINESSES

% per annum

Buildings used in manufacturing process (s13)

Cost of erection or improvements commenced on or up to 31 December 1988	2
Cost of erection or improvements commenced on or after 1 January 1989	5
Cost of erection or improvements commenced between 1 July 1996 and 30 September 1999	10
Cost of erection or improvements commenced on or after 1 October 1999	5

Hotels (s13bis)

Cost of building or improvements	5
Improvements not extending hotel exterior and commenced on or after 17 March 1993	20

Residential buildings (s13ter) - before 21 October 2008

Initial allowance - cost of housing project of at least 5 residential units	10
Annual allowance - cost of housing project of at least 5 residential units	2

Residential buildings (s13sex) - after 21 October 2008

Cost (including improvements) of any new or unused residential unit	5
Additional allowance granted for low - cost residential unit	5

Limitation of cost where part of residential unit is acquired (without erecting)	Limited to 55% of acquisition price
Limitation of cost where improvement is acquired as part of a residential unit	Limited to 30% of acquisition price

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Sale of low-cost residential units (s13sept)	
On amount owing by employees on low-cost housing unit	10
Commercial buildings (s13quin)	
New and unused buildings and new and unused improvements (after 1 April 2007)	5
Limitation of cost available for allowance where acquired part is being acquired	
	55
Improvements	30
Urban development zones (s13quat) - before 21 October 2008	
Refurbishment of existing building	20
New commercial or residential building brought into use before 31 March 2014	
Incurred before 21 October 2008	20
first year	20
each year afterwards	5
Incurred after 21 October 2008	20
first year	20
each year afterwards	8
Newly constructed or extended low-cost residential unit	
first year	25
following 5 years	13
last year	10
Improvement to existing or extended low - cost residential unit	25
Limitation of costs available for allowance where acquired from a developer	
New or extended building	55
Improvements	30
Cost of initial or annual license fee paid to any sphere of Government	
	Period of license

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Schedule of write off periods acceptable to SARS

	years
Adding machines	6
Air conditioners (window type, moving parts only)	6
Aircraft: light passenger or commercial helicopters	4
Arc welding equipment	6
Artefacts	25
Balers	6
Battery chargers	5
Bicycles	4
Boilers	4
Bulldozers	3
Bumping flaking	4
Carports	5
Cash registers	5
Cell phone masts/antennas	10
Cellular telephone	2
Cheque writing machines	6
Cinema equipment	5
Cold drink dispensers	6
Communication systems	5
Compressors	4
Computers (main frame)	5
Computers (personal computers)	3
Computers software (main frames):	
Purchased	3
Self-developed	1
Computers software (personal computers)	2
Concrete transit mixers	3
Containers: Stainless steel (transport of liquids)	5
Containers	10
Crop sprayers	6
Curtains	5
Debarking equipment	4
Delivery vehicles	4
Demountable partitions	6
Dental and doctors equipment	5
Dictaphones	3
Drilling equipment (water)	5
Drills	6
Electric saws	6
Electrostatic copiers	6
Engraving equipment	5
Excavators	4
Fabric trolleys	3

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Schedule of write off periods acceptable to SARS

Fax machines	3
Fertiliser spreaders	6
Fire extinguishers (loose units)	5
Fire detection systems	3
Fishing vessels	12
Fitted carpets	6
Food bins	4
Food-conveying systems	4
Fork-lift trucks	4
Front-end loaders	4
Furniture and fittings	6
Gantry cranes	6
Garden irrigation equipment (movable)	5
Gas cutting equipment	6
Gas heaters and cookers	6
Gearboxes	4
Gear shapers	6
Graders	4
Grinding machines	6
Guillotines	6
Gymnasium equipment	
Cardiovascular equipment	2
Health testing equipment	5
Weights and strength equipment	4
Spinning equipment	1
Other	10
Hairdressers' equipment	5
Harvesters	6
Heat dryers	6
Heating equipment	6
Incubators	6
Ironing and pressing equipment	6
Kitchen equipment	6
Knitting machines	6
Laboratory research equipment	5
Lathes	6
Laundromat equipment	5
Law reports: Sets (legal practitioners)	5
Lift installations (goods/passengers)	12
Medical theatre equipment	6
Milling machines	6
Mobile caravans	5
Mobile cranes	4
Mobile refrigeration units	4
Motors	4

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Schedule of write off periods acceptable to SARS

Motorcycles	4
Motorised chain saws	4
Motorised concrete mixers	3
Motor mowers	5
Multi-functional devices	3
Musical instruments	5
Navigation systems	10
Neon signs and advertising boards	10
Office equipment - electronic	3
Office equipment - mechanical	5
Oxygen concentrators	3
Ovens and heating devices	6
Ovens for heating food	6
Packaging and related equipment	4
Paintings (valuable)	25
Pallets	4
Passenger cars	5
Patterns, tooling and dies	3
Perforating equipment	6
Photocopying equipment	5
Photographic equipment	6
Planers	6
Pleasure craft etc	12
Ploughs	6
Portable concrete mixers	4
Portable generators	5
Portable safes	25
Power tools (hand operated)	5
Public address systems	5
Pumps	4
Race horses	4
Radar systems	5
Radio communication equipment	5
Refrigerated milk-tankers	4
Refrigeration equipment	6
Refrigerators	6
Runway lights	5
Sanders	6
Scales	5
Security systems (removable)	5
Seed separators	6
Sewing machines	6
Shakers	4
Shop fittings	6
Solar energy units	5

DEDUCTIONS AND ALLOWANCES

BUSINESSES

Schedule of write off periods acceptable to SARS

Special patterns and tooling	2
Spin dryers	6
Spot welding equipment	6
Staff training equipment	5
Surveyors:	
Instruments	10
Field equipment	5
Tape-recorders	5
Telephone equipment	5
Television and advertising films	4
Television sets, video machines and decoders	6
Textbooks	3
Tractors	4
Trailers	5
Traxcavators	4
Trucks (heavy duty)	3
Trucks (other)	4
Truck mounted cranes	4
Typewriters	6
Vending machines (including video game machines)	6
Video cassettes	2
Warehouse racking	10
Washing machines	5
Water distillation and purification plant	12
Water tankers	4
Water tanks	6
Weighbridges (movable parts)	10
Wire line rods	1
Workshop equipment	5
X-ray equipment	5

DISPUTE RESOLUTION AND PAYMENT OF TAX

TAX RETURN SUBMISSION DATES

All companies	Within 12 months after the company's financial year end
Individuals	Determined each year
Trusts	Determined each year

2010 Filing Season Timetable

Phase	Period	Primary responsibility
Preparation for submission of PAYE reconciliation declaration	1 March - 31 March	SARS Employers Payroll companies Practitioners
Submission of EMP501 PAYE reconciliation declaration and employee tax certificate	1 April - 30 May	Employers Practitioners
Data reconciliation in preparation for pre-population of returns	1 June - 30 June	SARS
Preparation for submission of income tax returns for individuals (ITR12) including issue of ITRR return request forms to manual filers	1 June - 30 June	SARS Taxpayers Practitioners
Electronic / Manual submission of ITR12 income tax returns for individuals (Non-provisional)	1 July - 26 November	Individual taxpayers Practitioners
Electronic / Manual submission of IT12TR income tax returns for trusts (Non-provisional)	1 July - 26 November	Trusts Practitioners
Electronic / Manual submission of ITR12 income tax returns for individuals (provisional)	1 July - 31 January 2011	Individual taxpayers Practitioners
Electronic / Manual submission of IT12TR income tax returns for trusts (provisional)	1 July - 31 January 2011	Trusts Practitioners
Submission of IT14 and IT12E income tax returns for companies and exempt institutions	12 months after financial year-end	Companies Exempt institutions Practitioners

DISPUTE RESOLUTION AND PAYMENT OF TAX

PROVISIONAL TAX PAYMENT DATES

Taxpayers registered for provisional tax

First provisional tax return	Due within the first 6 months from beginning of the tax year
Second provisional tax return	Due on or before the last day of tax year
Third provisional tax return	Due within the first 7 months after end of the tax year Applicable to individuals and companies with a February year end. In all other cases it is six months after the end of the tax year

ALTERNATIVE DISPUTE RESOLUTION (ADR)

Step 1

Objection lodged on prescribed ADRI - Notice of Objection	within 30 days from date of assessment *
SARS informs taxpayer that objection is invalid	within 60 days of receipt of objection
Taxpayer submits amended objection	within 10 days of SARS notification
SARS must inform taxpayer if all the required information has not been submitted to reach a decision on the objection	within 60 days of receipt of objection
Taxpayer submits further information	within 60 days from date of SARS notice
Where no further information was requested, SARS must make a decision on objection	within 90 days of receipt of objection
Where further information was requested, SARS must take a decision on the objection after receiving the requested information	within 60 days of receipt of requested information
Taxpayer receives decision from SARS	

* day means business day

DISPUTE RESOLUTION AND PAYMENT OF TAX

ALTERNATIVE DISPUTE RESOLUTION

Step 2

Deliver ADR2 - Notice of Appeal against decision made by SARS re objection, indicating that the taxpayer wishes to make use of the ADR process

within 30 days of notice informing the taxpayer of SARS' decision re the objection

Step 3

Taxpayer to indicate in notice of appeal that s/he wishes to make use of the ADR process

SARS notifies taxpayer within 10 days of receipt of notice of appeal that matter appropriate for ADR

SARS issues ADR Notice to taxpayer

within 20 days of receipt of notice of appeal

Taxpayer must accept/reject ADR process

within 10 days of receipt of SARS notice

Step 4

Parties finalise the ADR proceedings

within 90 days of SARS' receipt of notice of appeal, or such further period to which SARS will agree

Parties may settle the dispute, subject to certain requirements

SARS issues an assessment to give effect to the settlement reached

within 60 days of date of settlement reached

EMPLOYEES TAX

Employees' tax must be paid over to SARS within 7 days after the end of the month during which the amount was deducted.

EMP 501 Reconciliation returns must be submitted to SARS within -

60 days after the tax year or alternate period; or

14 days after ceasing to be an employer.

DISPUTE RESOLUTION AND **PAYMENT OF TAX**

ADMINISTRATIVE PENALTIES

Penalties are imposed for certain types of non-compliance by delivery of a notice of penalty assessment. Provision is made for the remission of penalties in certain circumstances and procedures to object and appeal.

Fixed Amount Penalty

A fixed amount penalty is imposed on the following types of non-compliance-

Failure to register for tax

Failure to inform SARS of change in address or other details

Failure by a company to appoint a public officer

Failure by a company to appoint a place of service or delivery of documents

Failure to notify SARS of change in public officer or place of service

Failure to submit a return and related documents

Failure to furnish, produce or make available information

Failure to attend or give evidence

Failure by employer to notify of change in address

Failure by employer to notify that it has ceased to be an employer

Failure to submit monthly declaration of employees tax

Failure to deliver employees tax certificate

Failure by a provisional taxpayer to submit an estimate

Any other non-compliance (subject to certain exclusions)

DISPUTE RESOLUTION AND PAYMENT OF TAX

ADMINISTRATIVE PENALTIES

Assessed loss or taxable income for preceding year	Penalty
Assessed loss	R 250
R0 - R250 000	R 250
R250 001 - R500 000	R 500
R500 001 - R1 000 000	R 1 000
R1 000 001 - R5 000 00	R 2 000
R5 000 001 - R10 000 000	R 4 000
R10 000 001 - R50 000 000	R 8 000
Above R50 000 000	R16 000

Listed companies and companies whose receipts and accruals exceeded R500 million in the preceding year and any companies forming part of the same group as these companies fall in the R8 000 category unless they fall in the R16 000 category

Where a person's taxable income is not known or was not a taxpayer in the previous year (excluding those companies referred to above) a R250 penalty will be imposed or it will be based on estimated taxable income

Automatic increase

Where SARS has person's valid address, penalty automatically increases by same amount each month from date of delivery of penalty assessment

Limit	35 months
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Where SARS does not have person's valid address, penalty increases automatically by same amount each month from date of non-compliance

Limit	47 months
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Percentage Based Penalty

In addition to any other penalty 10% penalty may be imposed on -

Amount of employees tax an employer fails to withhold

Amount of employees tax withheld or required to be withheld if employer fails to submit employees' tax return

Provisional tax where a taxpayer fails to pay the tax

SOURCE: Government Gazette Notice 31764 & Section 75B

WITHHOLDING TAXES

DOMESTIC WITHHOLDING TAXES

Dividends tax (effective date to be announced)	10%
Royalties - subject to any applicable double tax agreement	12%
Immovable property*: percentage of the purchase price to be withheld when disposed of by a non-resident seller:	
A natural person	5%
A company	7.5%
A trust	10%
* Does not apply where the purchase price is less than R2 million.	
Payments made to entertainers and sportspersons (may be reduced in terms of a tax treaty)	15%

TAX TREATY WITHHOLDING RATES

As part of SARS introduction of a withholding tax on dividends, tax treaties that limit the withholding tax on dividends to 0% will be renegotiated to a rate of not less than 5%.

Treaty with	Dividends	Dividends (qualifying companies)	Interest f	Royalties
	%	%	%	%
Algeria	15	10	10	10
Australia	15	5	10	5
Austria	15	5	0	0
Belarus	15	5	5/10 d	5/10 a
Belgium	15	5	10	0
Botswana	15	10	10	10
Brazil	15	10	15	10/15 a
Bulgaria	15	5	5	5/10 a
Canada	15	5	10	6/10 a
China (People's Rep.)	5	5	10	7/10
Croatia	10	5	0	5
Cyprus	0	0	0	0
Czech Republic	15	5	0	10

- a Rate depends on the nature of the royalty.
- b No withholding tax provided that the royalty is subject to tax in the other country
- c Not dealt with in the treaty.
- d The lower rate applies to interest derived by a bank or any other financial institution; the higher rate applies in all other cases.
- e The 15% rate applies to dividends paid by New Zealand resident companies. The 5% rate applies to dividends paid by South African resident companies where the beneficial owner is a company holding at least 25% of the capital of the company paying the dividends.
- f Certain treaties provide for an exemption in relation to interest, eg. interest paid to public bodies and institutions. This column does not reflect these exemptions and the relevant treaty should be consulted.

WITHHOLDING TAXES

TAX TREATY WITHHOLDING RATES

Treaty with	Dividends	Dividends (qualifying companies)	Interest f	Royalties
Denmark	15	5	0	0
Egypt	15	15	12	15
Ethiopia	10	10	8	20
Finland	15	5	0	0
France	15	5	0	0
Ghana	15	5	5/10 d	10
Germany	15	7.5	10	0
Greece	15	5	8	5/7 a
Hungary	15	5	0	0
India	10	10	10	10
Indonesia	15	10	10	10
Iran	10	10	5	10
Ireland	0	0	0	0
Israel	25	25	25	0/15 a
Italy	15	5	10	6
Japan	15	5	10	10
Korea (Rep.)	15	5	10	10
Kuwait	0	0	0	10
Lesotho	15	15	10	10
Luxembourg	15	5	0	0
Malawi	c	c	c	0
Malaysia	10	5	10	5
Malta	5	5	10	10
Mauritius	15	5	0	0
Mozambique	15	8	8	5
Namibia	15	5	10	10
Netherlands	10	5	0	0
New Zealand	15	5/15 e	10	10

a Rate depends on the nature of the royalty.

b No withholding tax provided that the royalty is subject to tax in the other country

c Not dealt with in the treaty.

d The lower rate applies to interest derived by a bank or any other financial institution; the higher rate applies in all other cases.

e The 15% rate applies to dividends paid by New Zealand resident companies. The 5% rate applies to dividends paid by South African resident companies where the beneficial owner is a company holding at least 25% of the capital of the company paying the dividends.

f Certain treaties provide for an exemption in relation to interest, eg. interest paid to public bodies and institutions. This column does not reflect these exemptions and the relevant treaty should be consulted.

WITHHOLDING TAXES

TAX TREATY WITHHOLDING RATES

Treaty with	Dividends	Dividends (qualifying companies)	Interest f	Royalties
Nigeria	10	7.5	7.5	7.5
Norway	15	5	0	0
Oman	0	0	0	8
Pakistan	15	10	10	10
Poland	15	5	10	10
Portugal	15	10	10	10
Romania	15	15	15	15
Russia	15	10	10	0
Saudi Arabia	10	5	5	10
Seychelles	0	0	0	0
Singapore	15	5	0	5
Slovak Republic	15	5	0	10
Spain	15	5	5	5
Swaziland	15	10	10	10
Sweden	15	0/7.5/15	0	0
Switzerland	15	5	5	0
Taiwan	15	5	10	10
Tanzania	20	10	10	10
Thailand	15	10	10/15 d	15
Tunisia	10	10	5/12 d	10
Turkey	15	10	10	10
Uganda	15	10	10	10
Ukraine	15	5	10	10
United Kingdom	15	0	0	0
United States	15	5	0	0
Zambia	c	c	c	b
Zimbabwe	c	c	c	b

a Rate depends on the nature of the royalty.

b No withholding tax provided that the royalty is subject to tax in the other country

c Not dealt with in the treaty.

d The lower rate applies to interest derived by a bank or any other financial institution; the higher rate applies in all other cases.

e The 15% rate applies to dividends paid by New Zealand resident companies. The 5% rate applies to dividends paid by South African resident companies where the beneficial owner is a company holding at least 25% of the capital of the company paying the dividends.

f Certain treaties provide for an exemption in relation to interest, eg. interest paid to public bodies and institutions. This column does not reflect these exemptions and the relevant treaty should be consulted.

VALUE ADDED TAX

REGISTRATION

Compulsory registration where taxable supplies exceed or likely to exceed	R1m pa
Voluntary registration where taxable supplies exceed or likely to exceed	R50 000 pa

RATES

Standard rated supplies	14%
Zero-rated supplies	0%
Exempt supplies	no VAT

CATEGORY OF TAXPAYERS

Category	Description	Tax period
A+B	Vendors not falling into category C, D, E or F	Bi-monthly
C	Taxable supplies for 12 month period exceed R30 million	Monthly
D	Farming annual turnover not exceeding R1.5 million	Every six months
E	Companies or trusts receiving rental income or administration/management fees from connected persons	Every twelve months
F	Annual taxable supplies of less than R1.5 million	Every four months

Tax period usually ends on last day of the month, however the taxpayer may choose to end it on any other fixed day approved by SARS (either 10 days before or 10 days after month-end).

PAYMENT AND VAT RETURN SUBMISSION DATES

Electronic filing and payment	Last business day of month following the end of the tax period
Other	25th day of month following the end of the tax period (Unless the day above is a Saturday, Sunday or public holiday in which case the preceding business day)

PENALTIES AND ADDITIONAL TAX

Penalty for late payment	10%
Additional tax where vendor has not complied with its obligations	200%

OTHER TAXES

SECURITIES TRANSFER TAX

Payable on the higher of the consideration paid or the market value, or listed shares closing price	0.25%
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Payable on the transfer of any security issued by a South African company or a member's interest in a close corporation, or a share in any foreign company listed on a South African stock exchange, subject to certain exemptions. Also, payable on the cession of dividend rights.

TRANSFER DUTY

Transfer Rates applicable from 1 March 2006

Transfer to a natural person

First R500 000	0%
R500 001 - R1 000 000	5% of value above R500 000
R1 000 001 and above	8% of value above R1 000 000

Transfer to a company,

close corporation or trust 8% of value of property

Payable by the purchaser on the greater of the consideration or the fair market value of the immovable property situated in South Africa. Transfer duty is also payable on the indirect acquisition of residential property through shares, members' interest in a close corporation or a contingent right in a discretionary trust. Note that no transfer duty is payable on the transfer of fixed property that is subject to VAT.

ESTATE DUTY

On dutiable amount of estate	20%
Estate duty abatement	R3.5m
Portable estate duty abatement reduced by amount used by predeceased spouse	R7m

DONATIONS TAX

Rate	20%
------	-----

Payable within 3 months after the donation was made

Annual exclusion

Companies	R10 000
Natural persons	R100 000

INTEREST RATES

PRIME OVERDRAFT RATE

DATE FROM	DATE TO	RATE %
13.06.2003	14.08.2003	15.5
15.08.2003	10.09.2003	14.5
11.09.2003	19.10.2003	13.5
20.10.2003	14.12.2003	12
15.12.2003	15.08.2004	11.5
16.08.2004	14.04.2005	11
15.04.2005	07.06.2006	10.5
08.06.2006	02.08.2006	11
03.08.2006	12.10.2006	11.5
13.10.2006	07.12.2006	12
08.12.2006	07.06.2007	12.5
08.06.2007	16.08.2007	13
17.08.2007	11.10.2007	13.5
12.10.2007	06.12.2007	14
07.12.2007	10.04.2008	14.5
11.04.2008	12.06.2008	15
13.06.2008	11.12.2008	15.5
12.12.2008	05.02.2009	15
06.02.2009	24.03.2009	14
25.03.2009	03.05.2009	12
04.05.2009	28.05.2009	11
13.08.2009	24.03.2010	10.5
25.03.2010	TO DATE	10

INTEREST RATES

FRINGE BENEFIT RATE (OFFICIAL RATE)

DATE FROM	DATE TO	RATE %
01.03.2003	30.06.2003	14.5
01.07.2003	31.08.2003	13
01.09.2003	30.11.2003	12
01.12.2003	29.02.2004	9.5
01.03.2004	31.08.2004	9
01.09.2004	31.08.2005	8.5
01.09.2005	31.08.2006	8
01.09.2006	28.02.2007	9
01.03.2007	31.08.2007	10
01.09.2007	29.02.2008	11
01.03.2008	31.08.2008	12
01.09.2008	28.02.2009	13
01.03.2009	31.05.2009	11.5
01.06.2009	31.06.2009	9.5
01.07.2009	31.08.2009	8.5
01.09.2009	TILL FURTHER NOTICE	8.0

INTEREST RATES

INTEREST RATES SARS

DATE FROM	DATE TO	By SARS	To SARS
01.12.1998	30.04.1999	14.0%	19.0%
01.05.1999	31.08.1999	12.0%	16.0%
01.09.1999	28.02.2000	10.5%	14.5%
01.03.2000	30.09.2002	9.0%	13.0%
01.10.2002	31.03.2003	11.5%	15.5%
01.04.2003	30.06.2003	12.5%	16.5%
01.07.2003	31.08.2003	11.0%	15.0%
01.09.2003	30.09.2003	10.0%	14.0%
01.10.2003	30.11.2003	9.0%	13.0%
01.12.2003	30.10.2004	7.5%	11.5%
01.11.2004	31.10.2006	6.5%	10.5%
01.11.2006	28.02.2007	7.0%	11.0%
01.03.2007	31.10.2007	8.0%	12.0%
01.11.2007	29.02.2008	9.0%	13.0%
01.03.2008	31.08.2008	10.0%	14.0%
01.09.2008	30.04.2009	11.0%	15.0%
01.05.2009	30.06.2009	9.5%	13.5%
01.07.2009	31.07.2009	8.5%	12.5%
01.08.2009	31.08.2009	7.5%	11.5%
01.08.2009	30.06.2010	5.5%	10.5%
01.07.2010	TILL FURTHER NOTICE	5.5%	9.5%

RETENTION OF RECORDS

COMPANIES AND CLOSE CORPORATIONS

Certificate of incorporation	Indefinite
Certificate of change of name (if any)	Indefinite
Memorandum and articles of association	Indefinite
Certificate to commence business (if any)	Indefinite
Minute book, CM 25 and CM 26, as well as resolutions passed at general/class meetings	Indefinite
Proxy forms	3 years
Proxy forms used at Court convened meetings	3 years
Register of allotments after a person ceased to be a member	15 years
Register of members	15 years
Index of members	15 years
Registers of mortgages and debentures and fixed assets	15 years
Register of directors' shareholdings	15 years
Register of directors and certain officers	15 years
Directors' attendance register	15 years
Branch register	15 years
Annual financial statements including:	
Annual accounts	
Directors' report	
Auditor's report	15 years
Books of account recording information required by the Act	15 years
Supporting schedules to books of account and ancillary books of account	15 years
The microfilm image of any original record reproduced directly by the "camera master"	Indefinite

Schedule 2 - Regulations for the retention and preservation of company records

INCOME TAX

Records to be retained from the date the return relevant to the last entry in the records is received by the Commissioner	5 years
Records relevant to an objection and appeal	Date that assessment is final

Includes ledgers, cash books, journals, cheque books, bank statements, deposit slips, paid cheques, invoices and stock lists and all other books of account (including any electronic representations of information in any form)

Section 73A of the Income Tax Act

RETENTION OF RECORDS

CAPITAL GAINS TAX

Taxpayers required to render an income tax return -

All records required to determine taxable capital gain or assessed capital loss, from the date the return is received by the Commissioner

5 years

Taxpayers not required to render an income tax return -

All records, required to determine taxable capital gain or assessed capital loss, from the date the asset is disposed of

5 years

Records include -

Agreement for acquisition, disposal or lease of an asset together with related correspondence

Details of asset transferred to a trust

Copies of valuations used to determine taxable capital gain or assessed capital loss

Invoices or other evidence of payment records e.g banks statements and paid cheques relating to costs claimed in respect of acquisition, improvement or disposal of any asset

Details supporting the proportional use of an asset for both private and business purposes

Details of continuous absence of more than 6 months from a primary residence

Section 73B of the Income Tax Act

RETENTION OF RECORDS

VALUE ADDED TAX

Taxpayers required to render return -

All records (listed below), from the date the income tax return is received by the Commissioner

5 years

Taxpayers not required to render return-

All records (listed below), from the date of last entry in any book or where not kept in book form from date of completion of transactions

5 years

Records include

Record of all goods and services supplied by or to a vendor including rate of tax, the suppliers or their agents

All related invoices, tax invoices, credit notes, debit notes, bank statements, deposit slips and paid cheques

Records of all importations of goods and related documents including bills of entry or other documents prescribed by the Customs and Excise Act

Charts and codes of account, the accounting instruction manuals and the system and program documentation which describe the accounting system used in each tax period

Documentary proof of vendor's entitlement to apply zero-rating

Section 55 of the VAT Act

EMPLOYEES TAX

Records to be retained from the date of the last entry

5 years*

* where the taxpayer lodges an objection or appeal against an assessment all relevant records to be retained until the assessment is final

Records include

All remuneration paid

Employee's tax deducted in respect of each employee as well as SDL and UIF contributions

Personal details of employees

EXCHANGE CONTROLS

Please note that the exchange control provisions are detailed, complex and in some cases discretionary or based on policy and procedure not available to the public.

NON-RESIDENT INBOUND INVESTMENT

Non-residents may freely invest into South Africa, provided that such transactions are concluded at arm's length, are at fair market related prices, and are financed in an approved manner. Such inbound investments, together with any growth thereon may be freely transferred from South Africa provided documentary evidence is retained.

Local Borrowing Restrictions

Non-resident borrowing locally	No restrictions, unless funds are required for acquisition of residential property and other financial products
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Non-resident borrowing locally to finance foreign direct investment into South Africa and wholly owned subsidiaries	No restrictions for Bona Fide foreign direct investment into South Africa
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Loans

Loans from non-resident third party	Prior approval required from Exchange Control on application
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Loans from non-resident shareholders to affected persons	Prior approval required from Exchange Control on application (interest may not exceed the base lending rate)
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Shares

Non-residents may freely invest in shares listed on the JSE, and export the proceeds arising from the sale thereof. The shares must be endorsed Non-Resident by an Authorised Dealer.

EXCHANGE CONTROLS

NON-RESIDENT INBOUND INVESTMENT

Dividends or branch profits

Dividends declared by listed companies out of income earned are remittable to non-resident shareholders in proportion to the percentage of their shareholding.

An emigrant shareholder will be entitled to dividends declared out of income earned after the date of emigration.

Dividends declared by unlisted companies are remittable in proportion to percentage shareholdings, subject to certain restrictions.

Dividends in favour of emigrant shareholders may be remitted subject to additional requirements.

Interest

Interest is freely remittable.

Royalties

Agreements by South African companies to pay royalties, licenses and patent fees to non-residents involving the local manufacture of goods are subject to approval by the Department of Trade and Industry.

Exchange Control approval is needed for the payment of royalties, licenses and patent fees to non-residents where no local manufacturing is involved, in terms of any agreement between a South African company and a non-resident.

For consumer goods a royalty of up to 4% of the ex-factory selling price is regarded as acceptable. In the case of intermediate and capital goods a payment of up to 6% may be considered favourably.

Management Fees

Requests for payment of management and administration fees are considered by Exchange Control on merit, taking into account the reason for the fees, the nature of the services and the basis of the calculation.

EXCHANGE CONTROLS

RESIDENTS OUTBOUND INVESTMENT

Individuals

R4m per individual or R8m per family unit

Companies

Transactions below R500m Allowed in terms of prescribed regulations - may be approved by authorised dealer

Transactions above R500m Application to be made to Financial Surveillance Department

Institutional Investors

Retirement funds and underwritten policy business of long term insurers Foreign exposure of retail assets may not exceed 20%

Collective investment scheme management companies, investment managers registered with the Financial Services Board as discretionary managers for exchange control purposes and the investment linked business of long term insurers Restricted to 30% of total retail assets under management

Institutional investors are allowed to invest an additional 5% of their total retail assets by acquiring foreign currency denominated portfolio assets in Africa through foreign currency transfers from South Africa, or by acquiring approved inward listed instruments based on foreign reference assets or issued by foreign entities, listed on the JSE Limited or the Bond Exchange Services Board.

EXCHANGE CONTROLS

RESIDENTS

Discretionary allowance per calendar year

Adult (individual)	R750 000
Child under 18 years (travel allowance only)	R160 000

Discretionary allowance to be used in respect of one of the following categories

Travel allowance; monetary gifts and loans; donations to missionaries; maintenance transfers; small transactions	Common Monetary Area residents travelling to and from Namibia, through Botswana, may be provided with Botswana Pula up to an amount of R5 000 per annum over and above the annual allowance.
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Study allowances

Tuition and academic fees	No limit provided documentary evidence given
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The export of any household and personal effects, including jewellery and motor vehicles

Maximum insured value: R1 m

Living allowance for single students

R160 000 per year

Living allowance for student accompanied by a spouse who is not studying

R320 000 per year

Alimony payments

Amount stipulated in court order and provided beneficiary is non-resident

Should amount be paid in excess of amount in court order, R9000 per month over the court order amount may be permitted.

Directors Fees (to non-residents including emigrants)

No limits

EXCHANGE CONTROLS

RESIDENTS

Inter vivos Trusts

Own asset Trust

Income distributions	Transferable
Capital distributions	Only allowed for the credit of an emigrant's blocked account - ie the amount is not transferable.

Third party funded Trust

Emigrants

Funding took place within 5 years prior to emigration	Only allowed for the credit of an emigrant's blocked account - i.e. the amount is not transferable.
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Funding took place more than 5 years prior to emigration	Income transfers will generally be allowed
--	--

Capital distributions


Where funder is still alive	To the credit of a blocked account
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Where funder has died	To a non-resident transferable account or transferred directly in instances where the emigrant beneficiary had not benefitted from the trust in any way
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Emigrant has been receiving income from the trust	To an emigrant's blocked account
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Non-residents (originally resident)

Income and capital distributions	To the credit of a blocked account during the lifetime of the funder
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