



Executives on the Move

South Africa 2008

May 2008



BDO International



**EXECUTIVES ON THE MOVE**  
**SOUTH AFRICA 2008**

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## Introduction

The objective of *Executives on the Move – South Africa 2008* is to provide general information on the South African taxes that may apply to individuals from abroad coming to take up employment in South Africa. The information is based on legislation and regulations in force at 1 April 2008.

The most important issues are included, but it is not feasible to discuss every subject in detail within this format. Accordingly, *Executives on the Move – South Africa 2007* is written in general terms and is not intended to be comprehensive. If you would like to know more, please contact the BDO Member Firms with which you normally deal, who can provide you with information on any further issues and on the impact of any legislation subsequent to 1 April 2008.

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*Executives on the Move – South Africa 2008* has been written by BDO Spencer Steward, the South African Member Firm of BDO. Its contact details may be found on page 16 of this publication.

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## **General information**

### **Geographical location**

The Republic of South Africa is situated at the southern tip of the African continent totalling 1 229 090 km<sup>2</sup> in land size and is bigger than Germany, France and Italy combined. Bordering countries are Zimbabwe in the north, Mozambique and Swaziland in the northeast, Botswana in the northwest and Namibia in the west. The independent kingdom of Lesotho lies wholly within the borders of South Africa. The South African coastline stretches for about 2798 km from Mozambique to Namibia. The terrain varies between a vast interior plateau rimmed by rugged hills and narrow coastal plains.

### **Population**

The estimated population of South Africa is 46 897 828. Estimates for South Africa take into account the effects of excess mortality due to AIDS, which can result in a lower life expectancy, higher infant mortality and death rates and lower population and growth rates. This can also give rise to a distribution of population by age and sex other than would be expected. Currently about 5.3 million people live with AIDS.

### **Political and social environment**

South Africa is a constitutional democracy with a bicameral parliament and an indirectly elected executive president. The National Assembly is elected by proportional representation, The National Council of Provinces consists of indirectly elected representatives of the nine provinces. Thabo Mbeki, who succeeded Nelson Mandela as the leader of the African National Congress (ANC), is the current President and head of state. The next elections are due in 2009.

### **Currency and language**

The unit of currency in South Africa is the rand (ZAR), which is divided into one hundred cents. At the time of publication (early May 2008), the rand was quoted against the euro and the U S dollar at EUR 1 = ZAR 11.7724 and USD 1 = ZAR 7.6046.

South Africa has 11 official languages and these are mainly English, IsiZulu, IsiXhosa, Afrikaans, Sepedi, Setswana, Sesotho and Xitsonga. English is the most commonly spoken and is the language of business and commerce.

### **Time zones**

South Africa is two hours ahead of Greenwich Mean Time, which is one hour ahead of Central European Time. There is no daylight-saving time in South Africa.

South Africa uses the metric system of weights and measures. Temperature is measured in degrees Celsius.

### **International organisations**

South Africa has concluded a new trade pact with the European Union. South Africa is part of the Southern Africa Customs Union (SACU). SACU concluded a free trade agreement with the European Free Trade Association (EFTA), which comprises Switzerland, Norway, Iceland and Liechtenstein. South Africa is also a member of the

fourteen-country Southern Africa Development Community (SADC) forging a free-trade zone within communities.

## **Fiscal considerations**

### **General outline of the tax system**

The direct taxes most likely to affect an expatriate executive coming to work in South Africa are income tax, donations tax, estate duty and capital gains tax. The fiscal year is the year beginning 1 March. The year beginning 1 March 2008 is referred to as the 2009 year of assessment (also referred to as the 2008-2009 year of assessment). The South African Revenue Service, which is responsible to the Minister of Finance, administers direct taxes.

### **Nature and territorial scope of income tax**

#### ***Nature of income tax***

Income tax is levied at progressive rates on the income of an individual from one or more of five distinct sources:

- Income from employment
- Business income
- Rental income
- Investment income (other than local dividend income)
- Miscellaneous income.

#### ***Territorial scope***

Income tax in South Africa is, as far as a resident of South Africa is concerned, levied on a residence or world wide basis. The world wide basis of taxation of residents of South Africa came into effect on 1 January 2001 and applies to years of assessment commencing on or after that date. A resident of South Africa is, therefore, subject to tax on his or her world wide income. A non-resident is subject to tax in South Africa on income derived from a source within South Africa as well as income that is deemed to be derived from a source within South Africa.

Critical to the application of the tax system is the definition of 'resident'. The residence status of an individual determines his or her tax liability. A 'resident' is defined as any natural person who is 'ordinarily resident' in South Africa or any natural person who is deemed to be a resident of South Africa (the so-called 'physical-presence' test or 'time-base rule').

#### ***Ordinary residence***

A natural person will be resident if he or she is 'ordinarily resident' in South Africa. The jurisdiction in which an individual is ordinarily resident is that which he or she regards as home and to which he or she will naturally and eventually return after travelling. If the individual is not ordinarily resident, a time-base rule (physical-presence test) will apply. A person will be deemed to be a South African resident if

- that person was physically present in South Africa for a period exceeding 91 days in aggregate during the relevant year of assessment, as well as for a period or periods exceeding 91 days in aggregate during each of the five years of assessment preceding such year of assessment and

- for a period or periods exceeding 915 days in aggregate during those five preceding years of assessment.

The above rules are not applicable to any person who is deemed to be exclusively a resident of another country for purposes of the application of any agreement entered into between South Africa and another country for the avoidance of double taxation (referred to as the Double Taxation Agreement (DTA) exclusion).

### *Special rules applicable to years of arrival and departure*

Important considerations for the time-base rule are:

- If a person is present in South Africa for less than 91 days in the current year or any preceding period of five years, he or she will be deemed not to be resident in South Africa
- A person will be a deemed resident if he or she is physically present in South Africa for more than 91 days in aggregate during each year over a continuous period of six years (subject to the DTA exclusion and the 915-day requirement).
- A person who is resident under the physical-presence test and is physically outside South Africa for a continuous period of 330 full days will no longer be deemed to be resident (effective as from the day after he or she left South Africa).

## **Effect of double tax treaties**

South Africa has entered into bilateral agreements with a number of countries. Under these, relief is granted on income that might otherwise be taxed both in the source country and in the country of permanent residence.

Under many of these agreements, employees working in South Africa who are not ordinarily resident cannot be taxed in South Africa on their employment income if the following three requirements are met:

- A non-resident employee is present for less than 183 days in South Africa
- The remuneration is paid by or on behalf of a non-resident employer
- The remuneration expense is not claimed as an expense by a South African permanent establishment of the non-resident employer.

The provisions of double tax agreements vary from treaty to treaty and must be examined separately.

## **Treatment of the family**

Individuals are assessed to income tax independently. The incomes of a husband and wife are therefore not aggregated. Minor children are also taxed independently, unless the assets from which their income is derived have been donated by their parents, in which case that income is deemed to be the income of the donor parent.

## **Special rules for expatriates**

Non-residents are taxed on income derived from a source or deemed source within South Africa. In general, the source of income from employment is the country in which that service (or employment) is physically carried out – the result is that non-residents who work in South Africa will generally be liable for tax in South Africa on that employment income.

The residence-based taxation legislation may have serious consequences for expatriate employees who are based in South Africa for long periods (periods exceeding five years and three months). If they are deemed to be a resident in terms of the time-base rule they will be subject to South African tax on their world wide income. They will, however, be able to claim a tax credit under qualifying circumstances.

## Detailed treatment of remuneration

The general rule is that all types of remuneration, whether in cash or in kind, received by an employee in return for services rendered in South Africa are taxable.

### Salary

#### *Domestic source*

A resident employee working in South Africa will thus, in principle, be subject to South African income tax even if paid by a foreign employer in a foreign country. This rule is subject to any contrary provision in a tax treaty.

By the same token, if an employee who is ordinarily resident in South Africa carries out duties relating to employment outside South Africa, remuneration for these duties will be exempt from taxation in South Africa. The criterion for this exemption is that the employee must be outside South Africa for more than 183 days in a 12-month period, of which at least 60 days of absence must be continuous.

#### *Foreign-source employment*

Employment income earned by non-residents in South Africa will be subject to tax in South Africa in terms of a source-based rule on a progressive scale with a maximum rate of 40% on income over ZAR 490 000 per year. Certain deductions are allowed against employment income such as medical expenditure, travel expenses, donations to public-benefit organisations, and contributions to pension, retirement annuity and provident funds. All of the above are subject to certain limitations.

If employers grant various benefits to employees, such benefits will be taxed in terms of the fringe-benefits legislation, which is contained in the Seventh Schedule of the Income Tax Act. Such benefits include travel allowances, company vehicles, low-interest loans, subsistence allowances, residential accommodation, entertainment etc.

### Deferred remuneration and termination payments

Remuneration for services performed in South Africa is taxable in South Africa, even if the employee has already left the country. By the same token, remuneration for services performed before the employee came to South Africa but paid while he or she is resident in South Africa is not taxable.

Any sum or voluntary award received in respect of the termination of employment or loss of office is taxable. However, the first ZAR 30 000 of any lump-sum payment will be exempt from tax under qualifying circumstances.

### Share-option arrangements

#### *Income tax treatment*

Where an employee or executive is granted the right to acquire a share or other security (usually in an employer company) by virtue of his or her employment, at a price which is less than the market value of the share at the time that right is exercised, such gain is usually subject to tax in South Africa. Taxation of the gain may be deferred if there is a restriction on the sale of the security.

#### *Capital gains tax treatment*

When the share is acquired free of any restrictions, its base cost must be taken as the actual expense incurred under the option, together with the amount of the gain already

included in the taxable income of that person. The value of the option on transition date (if held at that time) is ignored.

Whether the subsequent disposal of the share triggers a revenue or capital gain will depend on the purpose with which the executive acquired the share in the first place but, generally, it is expected that such gains are on capital account and subject to CGT. The connected-party rules do not apply to the issue of options or to stop-loss provisions. Note that share trusts used for managing executive share-option schemes are subject to CGT on the disposal of such shares at a profit (these shares are generally held on capital account by the trust).

### ***Profit-sharing arrangements***

Income of a revenue nature derived from profit sharing is taxable whether received in cash or in some other form (such as shares). In the latter instance, a value would be ascribed to the mode of payment.

### ***Pensions***

Pensions are fully taxable as income. Pensions earned as a result of qualifying services performed abroad will be exempt from South African taxation. Lump-sum benefits are partially exempt from tax depending mainly on the amount received and the period for which the recipient was a member of the fund.

Contributions by an employee to an approved pension fund are deductible within certain limits. Employers' contributions do not constitute taxable income for the employees. Employee contributions to provident funds are not deductible for tax purposes.

### ***Treatment of company directors***

Directors are deemed to be normal employees for South African tax purposes.

### ***Benefits-in-kind***

Any benefit received as a result of employment is taxable, subject to specific exemptions.

#### *Accommodation*

Where an employer provides employer-owned residential accommodation to an employee free of charge or for a token rental, the employee is taxed on the difference between the rental value of the property, as determined in accordance with a formula (which takes account of the employee's income, the type of accommodation, whether furniture is provided, etc.) and the rent paid by the employee (if any).

If the accommodation does not belong to the employer or an associated institution, the rental value is the greater of the amount as indicated above and the total amount paid by the employer for the accommodation in the form of rentals and other expenditure. Specific valuation rules apply if the employee has an interest in the property.

In the case of holiday accommodation made available at the employer's expense, the employee is taxable on the full amount of the costs borne by the employer. If the employer owns the accommodation, the employee is normally taxed on an amount equal to the market value of the accommodation.

#### *Motor cars*

The benefit of a company car is valued at 2.5% per month of the 'determined value' of the vehicle. Should the employer make a second or further cars available, the benefit of each of those is valued at 4% of the 'determined value'.

The determined value is the cost of the vehicle, net of VAT, finance charges and interest.

Employers often provide employees with a travel allowance to help them finance the running costs of their own vehicles. Against this allowance, which is taxable, employees may either set off their actual costs for business travel or deemed cost. The deemed cost is published annually in table format by the tax administration. The first 18 000 km travelled annually is deemed to be for private travel. The total kilometres travelled per annum may not exceed 32 000 km. These two limitations will not apply if business travel can be substantiated by a log book.

### *Expense allowances*

The only expense allowances that are not subject to tax under qualifying circumstances are travel expenses as discussed above and subsistence allowances. Certain qualifying expenses may, however, be claimed as a deduction once taxable income is determined – for example, depreciation on assets used in the production of employment income.

### *Use of company assets*

Where an employer grants an employee the private or domestic use of an asset (other than accommodation or a motor vehicle), a taxable benefit of 15% per annum on the smaller of the cost paid and the market value of the asset arises for the employee under qualifying circumstances.

The cost of the asset can be reduced by any consideration paid by the employee and the value of the benefit is reduced by the cost of any maintenance or repairs borne by the employee.

### *Low-interest or interest-free loans*

The taxable benefit of a loan at below-market rates granted to the employee is the difference between the official rate of interest (12% at the date of this publication) and any interest actually paid by the employee.

Casual loans not exceeding ZAR 3000 made to employees do not have tax consequences nor do beneficial loans to enable employees to further their own studies.

### *Payments towards children's education*

Payments made by an employer towards the school fees of children of an employee constitute a taxable benefit for the employee. The amount of the benefit is the cost to the employer.

Certain *bona fide* bursaries or scholarships granted by an employer to an employee or employee's relative are exempt from tax under qualifying circumstances.

### *Entertaining*

The full amount of an entertainment allowance paid by an employer to an employee constitutes a taxable amount for the employee.

### *Medical insurance and sick-pay arrangements*

Payment by the employer of an employee's medical fees gives rise to a taxable benefit. The taxable benefit is the amount contributed by the employer less ZAR 570 per month if the employee is the sole member of the medical insurance scheme (ZAR 1140 if the contribution by the employer is in respect of the employee and one of his or her dependants. An additional ZAR 345 may be deducted in respect of the second and any subsequent dependants.

### *Vouchers*

Vouchers provided to an employee by an employer in lieu of cash remuneration are taxable in the employee's hands at the value of the vouchers provided.

### *Relocation and travel expenses*

Where the employer meets the cost of an employee's relocation expenses arising out of an appointment, relocation or termination of employment, such a benefit is exempt from tax. Also exempt are settling-in allowances, agents' commission and transfer duty (a stamp duty on the sale of property) paid on behalf of the employee. Furthermore, the employer may meet the cost of up to six months' rental on temporary accommodation for the employee while the latter is seeking to purchase a new home.

However, payments on the employee's behalf of architects' fees for the design or alteration of a new residence and compensation for a loss on the sale of the employee's old residence are taxable.

No fringe benefit tax is payable on qualifying expenses incurred by an employer in respect of travel expenses relating to the travel of an employee between his or her usual place of residence and place of employment. For this to be the case, however, the employee must be stationed at a specific place of employment in South Africa which is further than 250 km from his or her usual place of residence and the employee should be required to spend more than 183 days during the relevant year of assessment at that specific place for the purposes of the employer's business.

### **Expenses of employment**

The expenses deductible by employees are generally restricted to specified types of expenditure. The deductions that qualify in general are, subject to certain limitations, medical expenses, certain insurance expenditure as well as pension and retirement fund contributions.

The restrictions above are not applicable to employees whose earnings are commission-based. Expenditure incurred in the production of income would normally be deductible unless the expenditure is of a private or domestic nature. Travel expenses to and from a place of employment are considered to be private expenses.

## **Treatment of investment income**

### **Dividends**

For residents of South Africa, dividends from a South African source (local dividends) are exempt from tax while foreign dividends are fully taxable in the resident's hands (certain exemptions and rules apply).

Local dividends as well as qualifying foreign dividends accruing to a non-resident are exempt from tax.

These provisions are subject to replacement in 2009 by a withholding tax on dividends at the shareholder level.

### **Interest**

Interest earned by a resident is fully taxable apart from the first ZAR 19 000, which is exempt (the exempt amount is ZAR 27 500 if the person is 65 years of age or over).

Interest earned by a non-resident from a South African source is exempt from tax in South Africa. This exemption does not apply if the non-resident is physically present in South Africa for a period exceeding 183 days in aggregate during that year. The exemption will also not apply if at any time during that year the non-resident carried on business through a permanent establishment in South Africa.

***Income from property***

Individuals who are ordinarily resident in South Africa are taxable on local property rentals as well as foreign property rentals under the world wide taxation rule. All expenses, local and foreign, are deductible if the expenses are of a revenue (and not of a capital) nature.

Rental income derived by a non-resident from fixed property situated in South Africa constitutes taxable income.

***Capital gains***

Non-residents are not subject to capital gains tax (CGT) except on gains made on immovable property situated in South Africa and gains made on assets of a permanent establishment situated in South Africa.

The maximum effective CGT rate is 10% for individuals, 14% in the case of companies and 20% for trusts. Certain exemptions apply, such as in respect of the primary residence owned by a natural person, personal-use assets, lump-sum benefits from retirement funds, gains from gambling etc.

***Taxation of trusts***

A trust is taxed on its taxable income at a flat rate of 40%.

Trusts that are resident in South Africa are taxed on their income unless the anti-avoidance regulations apply whereby South African tax law seeks to tax income earned by trusts and estates in the hands of the beneficiaries, if they have a vested right to the income retained in the trust. Income may, in the alternative, be taxed in the hands of either the settlors of a trust or the trust itself, depending on the specific circumstances.

Income earned by a foreign (non-resident) trust, which was established, formed and effectively managed outside South Africa, is taxed on the following basis:

- Income retained in the trust is not taxed in South Africa. If, however, a South African resident made a donation to the foreign trust and as a result of that donation, the trust earned income, the resident will be liable for income tax on the income attributable to that donation.
- If a foreign discretionary trust distributes income or accumulated income to a South African resident, that person will be subject to tax in South Africa unless the income was already subject to tax in South Africa under the terms of any other provision. If it was distributed to a non-resident, the income can only be taxed if it was earned under the above conditions and was not already subject to tax in South Africa.

**Income tax: deductions*****Specific deductions***

The more significant deductions available to taxpayers against employment income are set out in Table 1.

Table 1

| Type of transaction              | Amount of deduction   | Restrictions                  |
|----------------------------------|---|-------------------------------|
| Pension contributions            | Amount contributed subject to a maximum: the greater of ZAR 1750 and 7.5% of pensionable earnings.<br>Arrear contributions: maximum ZAR 1800  | Pension fund must be approved |
| Retirement annuity contributions | Amount contributed subject to a maximum: greatest of (a) 15% of non-pensionable net income; (b) ZAR 3500 less the deduction for pension contributions; and (c) ZAR 1750<br>Arrear contributions: maximum ZAR 1800 | Fund must be approved         |

### **Personal allowances and tax credits**

Personal allowances for taxpayers' personal and family circumstances take the form of tax rebates, i.e. tax credits.

A natural person is entitled to a rebate (credit) of ZAR 8280. Persons aged 65 and over are entitled to an additional rebate of ZAR 5040.

### **Gift, inheritance and wealth taxes**

#### **Donations tax**

Donations tax is payable by any individual who is ordinarily resident in South Africa, on the value of any gratuitous disposal of property including the disposal of property for inadequate consideration and the renunciation of rights. A donation is also a disposal for capital gains tax purposes. In most circumstances, therefore, a visiting expatriate will not be liable to donations tax.

Donations not exceeding ZAR 100 000 in value in any fiscal year by a natural person are exempt from donations tax, as are transfers between spouses not separated under a judicial order or notarial deed of separation, and transfers within the Matrimonial Property Act. Also exempt are donations to public-benefit organisations.

Donations tax is charged at a flat rate of 20%.

#### **Estate duty**

Estate duty is payable on the world wide estate of a deceased individual who was ordinarily resident in South Africa at the date of death. In most circumstances, therefore, visiting expatriates will not be liable to this tax.

Bequests to surviving spouses are exempt from estate duty as are overseas assets acquired by the deceased before he or she became resident in South Africa.

An abatement of ZAR 3 500 000 is deductible from the net value of an estate before the calculation of the amount of the estate duty that is due and payable by the estate.

Estate duty is payable at a flat rate of 20%.

#### **Wealth tax**

South Africa does not have a wealth tax.

## Tax returns, assessment and collection

### *Tax returns*

Every individual must, when required by the tax authorities, file an annual tax return within two months of a date published by them, usually by June of each year. Penalties for late filing or failure to file may amount to as much as 200% of the tax outstanding. However, extensions can be granted on application for good cause.

Certain taxpayers, whose liability is entirely satisfied by the salary tax on employment income, are not required to file returns.

### *Salary tax*

Employers are required to make deductions of 'employee's tax', which operates on a Pay As You Earn basis, with the intention of deducting the correct amount of tax from the employee's remuneration by the end of the fiscal year.

### *Payments on account*

Taxpayers who derive income other than from employment are required to register as 'provisional taxpayers' and make payments on account (referred to as payments of 'provisional tax') for the current year's liability. These payments are due on 31 August and 28 February of each fiscal year and are based on the liability shown on the final assessment for the previous year.

Any shortfall may be paid by 30 September of the following fiscal year. Interest on outstanding amounts will accumulate from 1 October until the date of final settlement.

### *Balancing payments*

Any balancing payment is due approximately 60 days after issue of the assessment by the tax authorities. Assessments are generally issued within six months of the submission of the return.

## Social security contributions

South Africa currently has no state-administered social security system to which taxpayers are obliged to make contributions.

Most employers operate private pension or provident funds, and medical-aid funds that are regulated by statute and often administered by brokers and insurance companies. Contributions to such funds are generally made by both employers and employees. Retirement annuity funds enable individuals to supplement their retirement funding. Contributions to these funds are also tax deductible, subject to certain limitations (see Table 1 above).

## Local taxes

Local government in South Africa does not levy taxes on income. Local authorities charge owners of property for services in the form of 'rates', which are a local property tax.

## **Other considerations**

### **Medical insurance and treatment**

Free health care is provided in the public sector for children under six years of age, pregnant women and nursing mothers, the elderly, the disabled and certain categories of the chronically ill. Individuals covered by some form of health insurance are not eligible to receive free health care.

The current medical-aid sector is under review by the National Health Department. The purpose is to investigate the introduction of a national health system.

### **Exposure to customs and import duties**

Customs concessions may be granted to approved immigrants on used personal effects, new and used household goods and on used motor vehicles, subject to certain provisions.

### **Exchange controls**

There are various restrictions on the flow of South African or foreign currency in or out of the country. Registered individual taxpayers of 'good standing' may invest up to ZAR 2 000 000 abroad or in a foreign-currency account with South African banks.

### **Immigration requirements and work permits**

#### ***Immigration***

Immigration into South Africa is subject to the provisions of the Aliens Control Act of 1991. Foreign nationals wishing to enter South Africa require a valid passport or other recognised identity document. Foreign nationals intending to work in South Africa must obtain temporary work and residence permits or a permanent residence permit.

A temporary residence permit is valid for a period of three months and may be renewed for six-monthly periods. Employed persons with valid work permits need not renew their residence permits.

#### ***Work permits***

To obtain a work permit, an applicant must have a job offer in South Africa.

Applications must be made to the South African embassy in the applicant's home country. An individual may apply for naturalisation as a South African citizen after five years of continuous residence in South Africa.

#### ***Emigration requirements***

In general, where the visiting individual has retained his or her foreign citizenship and passport, there are no emigration requirements on leaving South Africa. Formal emigration requires tax clearance before the payment of the settling-in allowance (see under 'Relocation and travel expenses' above) can be authorised.

## **Relevant expected developments**

The text has been updated to include the 2008-2009 budget amendments, so no further developments are anticipated.

## **BDO Spencer Steward**

BDO Spencer Steward Southern African Co-ordination (Pty) Ltd is the BDO Member Firm in South Africa. Its head office is located at:

BDO House  
13 Wellington Road  
Parktown 2193  
Houghton 2041  
JOHANNESBURG

Telephone: +27 11 488 1700  
Fax: +27 11 642 6502  
Website: [www.bdo.co.za](http://www.bdo.co.za)

**International tax coordinator:** Kemp Munnik  
e-mail: [kmunnik@bdo.co.za](mailto:kmunnik@bdo.co.za)

BDO Spencer Steward also has offices in Cape Town, Durban, Port Elizabeth and Pretoria.

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BDO Global Coordination BV  
Boulevard de la Woluwe 60  
B-1200 Brussels  
Belgium

Tel: +32 2 778 0130

Fax: +32 2 778 0143

e-mail: [bdoglobal@bdoglobal.com](mailto:bdoglobal@bdoglobal.com)

Web site: <http://www.bdointernational.com>

## Appendix 1 Tax rates

### 1A Income tax rates

Table 2 below sets out the rates of income tax for 2008-09 (the year ending 28 February 2009).

**Table 2**

| Band of taxable income (ZAR) | Rate (%) |
|------------------------------|----------|
| First 122 000                | 18       |
| Next 73 000                  | 25       |
| Next 75 000                  | 30       |
| Next 110 000                 | 35       |
| Next 110 000                 | 38       |
| Balance over 490 000         | 40       |

Individuals under the age of 65 pay no income tax if their taxable income does not exceed ZAR 46 000. Individuals aged 65 and over have a tax-free threshold of ZAR 74 000 before liability to income tax arises.

#### **Trust tax rate**

Trusts other than special trusts pay income tax at a flat rate of 40%.

## Appendix 2 Double tax treaties

South Africa has income or income and capital tax treaties with the following countries and territories:

**Table 3**

|                |             |                |
|----------------|-------------|----------------|
| Algeria        | Hungary     | Romania        |
| Australia      | India       | Russia         |
| Austria        | Indonesia   | Seychelles     |
| Belarus        | Iran        | Sierra Leone   |
| Belgium        | Ireland     | Singapore      |
| Botswana       | Israel      | Spain          |
| Brazil         | Italy       | Slovakia       |
| Bulgaria       | Japan       | Swaziland      |
| Canada         | Korea       | Sweden         |
| China          | Kuwait      | Switzerland    |
| Croatia        | Lesotho     | Taiwan         |
| Cyprus         | Luxembourg  | Tanzania       |
| Czech Republic | Malawi      | Thailand       |
| Denmark        | Malaysia    | Tunisia        |
| Egypt          | Malta       | Turkey         |
| Ethiopia       | Mauritius   | Uganda         |
| Finland        | Namibia     | Ukraine        |
| France         | Netherlands | United Kingdom |
| Germany        | Norway      | United States  |
| Ghana          | Oman        | Zambia         |
| Greece         | Pakistan    | Zimbabwe       |
| Grenada        | Poland      |                |

South Africa has estate tax treaties with:

**Table 4**

|           |                |
|-----------|----------------|
| Botswana  | United Kingdom |
| Lesotho   | United States  |
| Swaziland | Zimbabwe       |

South Africa has no social security agreements with other countries.

