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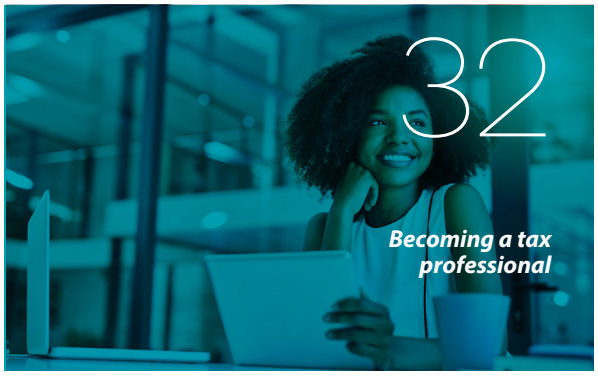
CORPORATE TAX COMPLIANCE



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CORPORATE TAX COMPLIANCE

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15 minutes CPD

METHODS OF WITHDRAWING FUNDS FROM SMALL OR MEDIUM COMPANIES

JENEEN GALBRAITH & MICHAEL RUSHBY partners at Galbraith Rushby

The following article is a summation of the potential tax traps which a business owner must consider when withdrawing funds from their company. This overview is primarily aimed at small to medium-size businesses.

The entity type plays a critical role in assessing the best route for funds to be withdrawn from a company. When reference is made to a company, it means both company and close corporation. For the purpose of the article, only normal companies, small business corporations (SBCs) and, micro-businesses are discussed. A normal company has a tax rate of 27% whereas an SBC, which meets the qualifying criteria in terms of section 12E of the Income Tax Act, pays tax at a rate of between 0% to 27%, depending on its profit. Reference to is only incorporated micro-businesses in terms of the Sixth Schedule of the Act and excludes sole proprietors.

Each entity type has its own rules about tax rates and dividend tax rates to consider. The entity type matters most. There are principally five ways of withdrawing funds from a company; each has pros and cons.

1. Reimbursements

Reimbursement for a business cost is not taxable to the recipient and tax deductible to the payer. The requirement is that it must be a qualifying business expense for the payer and sufficient evidence should be obtained to support this. This is an important consideration when withdrawing funds from a company because you want to prevent the owner from paying tax on a salary but then using that net salary to pay for business-related expenses. Some examples of this could be costs paid by debit order from the owner's bank account, such as internet, telephone, and home office costs. These costs should be reimbursed by the business by reducing the amount of salary/dividend/loan, all of which have tax implications.

"We generally prefer to avoid accumulating loan accounts between the company and the owner if it is not a true loan. A true loan is one where the borrower has the cash to repay it or at least has plans to repay"

2. Salary

Regardless of the entity type, individuals pay tax on salaries drawn in terms of a bracketed tax system. The more a person earns, the higher the tax percentage that they pay. Individual tax rates are 18% to 45% and the tax tables for the 2023 tax year are as follows:

TAXABLE INCOME (R)	RATES OF TAX (R)
1 – 226 000	18% of taxable income
226 001 – 353 100	40 680 + 26% of taxable income above 226 000
353 101 – 488 700	73 726 + 31% of taxable income above 353 100
488 701– 641 400	115 762 + 36% of taxable income above 488 700
641 401 – 817 600	170 734 + 39% of taxable income above 641 400
817 601 – 1 731 600	239 452 + 41% of taxable income above 817 600
1 731 601 and above	614 192 + 45% of taxable income above 1 731 600

There are also associated costs and taxes that must be considered. Salaries have linked costs such as Skills Development Levy (SDL), Unemployment Insurance Fund (UIF) and Compensation for Occupational Injuries and Diseases (COID) levies associated with it. These costs increase the effective tax cost of a salary.

3. Dividends

Dividends declared by a company to a natural person or trust shareholder, whether a normal business or SBC, is taxed at a rate of 20%. According to section 64F(1)(h) of the Act, a dividend declared by a micro business is exempt up to R200 000, thereafter the 20% tax rate applies. Dividends tax is payable after the company tax has been paid so both taxes need to be considered and not only the dividends tax in isolation.

The effective rates of dividends tax can be summarised as follows, factoring in the company tax rate:

		SMALL BUSINESS		
	NORMAL BUSINESS	UNDER R91 250	UNDER R365 000	UNDER R550 000
Company tax rate	28%	0%	7%	21%
Dividends tax rate	20%	20%	20%	20%
Example				
Profit	1 000 000	91 250	365 000	550 000
Company tax due	280 000	-	19 163	58 013
Net after tax	720 000	91 250	345 837	491 987
Dividends tax	144 000	18 250	69 167	98 397
Net dividend	576 000	73 000	276 670	393 590
EFFECTIVE TAX RATE	42.40%	20.00%	24.20%	28.44%

4. Loan accounts

Loans to a natural person or trust shareholders must be interest bearing at SARS prescribed interest rates. A loan implies that there will be a repayment by the shareholders or members at a later stage. Interest added to a loan also increases the loan balance owing and the interest accrued becomes taxable in the companies' hands. Not paying interest or at interest less than the SARS prescribed rate is considered a dividend in specie and the company would pay dividends tax on that interest benefit given to the shareholder. Currently, the prescribed interest rate is 5% and the dividends tax rate is 20%, so the tax cost of having an interest free loan is currently 1% (5% SARS prescribed rate x 20% dividends tax rate) of the annual loan value. The loan remains repayable and the 1% is the cost of deferring the tax obligation.

An important consideration here, is that low or no interest loans to shareholders qualify as a dividend in specie, whereas a loan to a director would be a fringe benefit in terms of the Seventh Schedule of the Act and that would be subject to PAYE. The PAYE rate would be between 18% to 45% and payable by the borrower, whereas a dividends tax is at 20% and payable by the lender. Loans to group companies are not subject to any interest obligations or tax obligations.

5. Fringe benefits

Benefits can be given to a shareholder of a company and those benefits have different tax considerations. Many of these are dealt with in the Seventh Schedule of the Act and multiple articles could be written on the tax considerations of benefits. It is important to consider things such as travel allowances, motor vehicle fringe benefits, medical aids and similar benefits as additional ways to structure a person's drawings, to replace the cash remuneration component with a benefit component.

Working out the best combination

Working out the best combination depends on the tax rates applicable to the entity making the payment, the amount being paid and the tax rates applicable to the recipient. Paying a salary reduces the company profit, this saves company tax but it would usually trigger personal tax on the recipient. The thought processes that we apply when we optimise the way to withdraw funds between dividends or salary, are discussed below.

Salary vs dividends: any salary paid from a normal business or small business reduces the profit of the company; you save company tax but usually pay individual tax. It is a balancing Act, especially when the business is an s12E SBC corporation because it has various marginal rates of tax - dependent on its profit level. Below is a schedule of the maximum salary to allocate to an owner, dependent on the profit of the corporation.

		SMALL BUSINESS		
	NORMAL BUSINESS	UNDER R91 250	UNDER R365 000	UNDER R550 000
Effective company tax	42.40%	20.00%	42.20%	28.44%
Maximum salary	1 731 600	226 000	226 000	353 100
Profit	41,00%	18.00%	18.00%	26.00%

For a turnover tax business, this has some added complexities. When withdrawing funds from a turnover tax business, two amounts can be drawn effectively tax free. A dividend of up to R200 000 and assuming that the individual has no other taxable income, the company can pay that individual a salary of R91 250 (if under the age of 65 years). Salaries do not reduce the tax payable by a micro business because it pays tax on revenue made and not on profit. If the drawings exceed the tax-free amount of R291 250 and the owner has no other taxable income, then you can increase the salary up to R226 000 which is the maximum tax rate of 18%. Anything more should be allocated to dividends as these are fixed at a rate of 20%, whereas the next salary bracket would be 26%.

We generally prefer to avoid accumulating loan accounts between the company and the owner if it is not a true loan. A true loan is one where the borrower has the cash to repay it or at least has plans to repay it. We see financial statements from time to time with substantial shareholder loans that accumulate each year. The shareholder is trying to avoid paying personal tax by calling it a salary or dividends tax, but the problem only compounds and has a snowball effect, which increases future tax. We would prefer to clear any loan account, which is not a true loan, at year-end through one of the methods discussed above.

Cash flow should also be considered – PAYE is payable monthly, whereas the tax on company profit is paid via the provisional tax cycle in two or three payments per year. Simplicity also has a bearing on the decision because taxpayers sometimes simply want to finish the tax as and when they receive their salary; they do not have a large lump sum for provisional tax payments, as smaller businesses struggle with cash flow.

In closing, the way to withdraw the funds is not a one-size-fits-all answer because multiple factors should be considered to optimise things, however, not optimising, unnecessarily costs the business more tax.

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ASSESSING LOSSES: claiming losses in the aftermath of COVID-19

15 minutes CPD

HILDEGARDE CRONJE, Director: Business Tax Division **&**
ANSIUS VERMEULEN, Senior Manager: Business Tax, Deloitte Africa Tax & Legal

Business interruption as a result of the COVID-19 pandemic, together with the difficult business environment caused by prior economic weaknesses, resulted in extensive financial losses for some taxpayers.

Tax legislation dealing with assessed losses

Section 20 of the Income Tax Act (ITA) No. 58 of 1962 deals with the utilisation of assessed losses. To determine the taxable income of a taxpayer from its trade, section 20(1) of the ITA provides that a taxpayer may set off against its taxable income, 1) a balance of the assessed loss brought forward from the previous year of assessment and 2) any assessed loss incurred during the current year in carrying on any other trade.

The following requirements must be met for a taxpayer to set off an assessed loss against taxable income:

- the taxpayer must be carrying on a trade;
- the assessed loss may only be set off against income derived from the entity's trading activities; and
- the taxpayer can only carry forward its assessed loss from the immediately preceding year of assessment if such taxpayer carried on a trade during the current year of assessment.

"South Africa determined that the most efficient way to restrict the utilisation of historically assessed losses is to limit the utilisation to a specified percentage of taxable income for that specific year of assessment"

Proposed changes to legislation

During the 2021 Budget Speech, the then Minister of Finance, Mr Tito Mboweni, announced that the corporate income tax rate would be lowered by one percentage point from 28% to 27% for companies with years of assessment commencing on or after 1 April 2022. It was further announced that this would be done alongside a broadening of the corporate income tax base by limiting, among others, the utilisation of assessed losses.

The current applicable legislation does not limit the utilisation of historically assessed losses. This means that companies with a balance of assessed loss will only start paying income tax once they have earned sufficient taxable profits to fully utilise any assessed loss balance. This is all set to change for companies with years of assessment ending on or after 31 March 2023. The Taxation Laws Amendment Act No. 20 of 2021 introduced a mechanism to limit the utilisation of historically assessed losses. It also linked the effective date for this amendment to the date on which the rate of tax, in respect of the taxable income of a company, is first reduced when announced by the Minister of Finance.

As mentioned in the explanatory memorandum which deals with the proposed loss limitation provisions, there is a growing international trend to restrict the utilisation of historically assessed losses carried forward. Restricting the use of assessed losses is not unique to countries in the Organisation for Economic Co-operation and Development (OECD); various non-OECD countries are also applying various methods to restrict the utilisation of historically assessed losses. These methods include:

- limiting the number of years an assessed loss can be carried forward;
- limiting the utilisation of an assessed loss in a specific year of assessment to a specified percentage of the assessed loss; or
- limiting the utilisation of an assessed loss in a specific year of assessment to a percentage of taxable income for that specific year of assessment.

South Africa has determined that the most efficient way to restrict the utilisation of historically assessed losses is to limit the utilisation to a specified percentage of taxable income for that specific year of assessment. After consultations among various stakeholders, National Treasury and the SARS, it was proposed that a de minimis threshold should be considered to assist start-ups and smaller businesses, where the total assessed loss carried forward does not exceed R1 million.

Practical application of amended legislation

In the 2022 Budget Speech, the Minister of Finance, Mr Enoch Godongwana, announced that the corporate income tax rate will be reduced to 27% for years of assessment ending on or after 31 March 2023. This announcement has triggered an effective date to limit the utilisation of assessed losses by companies. The effect of the amendment to section 20 of the ITA is that the utilisation of historically assessed losses in a specific year of assessment will now be limited to R1 million or to 80% of taxable income, whichever may be higher. This may result in a company being liable for tax in a specific year of assessment, even though it has an assessed loss that is sufficient to offset the taxable profits for that year. Companies should also consider this amendment when calculating their provisional taxes due for years of assessment ending on or after 31 March 2023, because any incorrect calculation can result in underpayment penalties and in interest being imposed by SARS.

The amendment will have an impact on a company's total assessed loss brought forward and not just on the assessed losses suffered from the effective date of this amendment. The amendment will only have an impact on a company if that company is making a taxable profit in a specific year of assessment. Any assessed losses not utilised will continue to be carried forward to the following year of assessment.

Concerns were raised by various taxpayers and by tax professionals on the effective date of the proposed amendment. Given the fact that most businesses have suffered significant losses as a result of COVID-19, together with the unrest which the country has experienced in 2021, it would seem preferable that, rather than using positive cash flow to settle the possible tax liability mentioned above, most companies would, for example, utilise the positive cashflow to, 1) settle an additional debt which financed losses during this period or, 2) expand operations to become more profitable and to create much needed employment.

It remains to be seen what impact the restriction of the utilisation of assessed losses by companies would have on the revenue collection of SARS. Tax revenue from companies is one of the more volatile revenue streams to the fiscus. Therefore, it would be unfortunate to see that companies, with the post-COVID-19 opening up of the economy, now have to finance additional taxes as a result of the limitation placed on the utilisation of assessed losses. This is as opposed, the expansion and growth of businesses that should create additional employment and that should result in less dependence being placed on the government for grants and for support, which would help in growing the economy as a whole.

15 minutes CPD

INCENTIVISE INNOVATION AND TECHNOLOGY GROWTH: THE ROAD AHEAD FOR R&D TAX INCENTIVE

▶ **STRINI PERUMAL,** Senior Manager: Global Investments and Innovation Incentives, Deloitte & Touche South Africa

"Companies should be incentivised to use 4IR technologies…and support research & development" – Professor Tshilidzi Marwala, Deputy Chair Presidential Commission on Fourth Industrial Revolution; Vice Chancellor University of Johannesburg

The driving motivation behind research and development (R&D) is an unwillingness to be satisfied with the status quo. It is performed with a vision of optimism and hope for the future. It is precisely this kind of optimism that has driven South African born billionaire space explorer and inventor (Elon Musk) to get humans to Mars before the end of his lifetime. While it may not be the duty of the state to provide the industrial dreams and visions for the future, it is expected to provide a fertile economic environment for ideas to flourish – one that fosters vision, creativity and vibrance. The revised R&D tax incentive must seek to provide the conditions where technological ingenuity can flourish and where new ideas can come to fruition.

Incentivise technology growth through support for R&D

The current political and economic environment is fraught with problems that distract business leaders from their primary responsibility to provide vision and industrial leadership. In an international environment of rapid technology change, economic cycles and foreign currency fluctuations, R&D investment should be encouraged to promote technology innovation. Professor of economics at the University of Rochester, Steven Landsburg, posited that economics can be defined in two words: 'incentives matter'; all else is commentary.

Because of rapid changes in technology and business conditions, high levels of attention are required from management to weigh up long-term investment in R&D. A 2020 study conducted by the Massachusetts Institute of Technology (based in the United States) on state-level R&D incentives, has demonstrated that an efficient, stable and inclusive tax incentive can stimulate the increase in R&D nationwide. It helps offset the pressure often felt from financial markets for short-term quarterly profits. The beauty of such an incentive is that it also gives companies the freedom to increase funding in areas of R&D projects that are considered most valuable. Most companies are not interested in securing grants from government departments in specific areas of technology that happen to be in vogue.

To survive the competitive world of technological progress, companies must continue to allocate R&D spending in those areas which strategically position the company for growth in the coming years. The R&D tax incentive facilitates this business flexibility. While the incentive can be used to amplify investment in knowledge-based capital, its design is key. The review of this incentive must focus on several key features to achieve its intended policy objectives to fuel high-quality growth, which is novel and firm.

Policy considerations

Having a stable tax incentive administration, with minimal changes, clear definitions and consistent application, would contribute to enabling more companies to access the incentive. The opportunity to include more innovation in recognition of the Fourth Industrial Revolution (4IR) technology could be missed when considered against the current eligibility criteria.

The definition and interpretation of R&D

Small-medium enterprises (SMEs) and large companies have made similar remarks concerning the interpretation and application of the definition of R&D contained in Section 11D. The most common being:

- the narrowness of the technical eligibility criteria;
- differences in interpretation between the legislation and the Department of Science and Innovation (DSI);
- lack of certainty as to how the definition is being applied; and
- out of touch views about R&D that are undertaken by businesses and the expectation that the R&D should be comparable laboratory-type experiments.

Addressing these issues would benefit all claimants but would have a more significant impact on SMEs, as the financial risks of incorrectly claiming after committing to the process are felt more acutely. The R&D tax incentive is perceived as more difficult and costly to access, given the narrowness of technical criteria and the burden of proof. To address this, the future tax incentive should have simplified administrative processes with a digitised online format for data collection.

The overwhelming majority of businesses with whom we work, reported that the interpretation of the definition seemed to favour projects that have a higher ratio of research than development (more R, less D). The reality of business R&D is that most projects require more development than first principles research. In many instances, firm-level R&D relate to converting research findings into profitable products and services – most of which require long-term investment and often fail. In an incentive regime that requires ex-ante approval of R&D activities, a project with a high development component should not be discarded on the balance that it does not focus enough on basic research.

Compliance costs

SMEs and large companies may have too many compliance barriers in terms of reward and recognition to enable them to leverage the incentive. Notably, the effective benefit translates into a 14% saving on R&D expenditure. Companies must often weigh up the compliance cost and the effective benefit. By comparison, some of the lending products, which are locally available, allow SMEs to obtain secured lending of up to R5 million in less than ten minutes.

"The R&D tax incentive is one of a few innovation policy instruments that can make a significant difference in spurring innovation and entrepreneurship; if it is designed correctly"

Managers must weigh up the level of effort required to navigate uncertain and long tax compliance processes with that of streamlined, simple and secured lending. If the incentive is to be leveraged as an instrument to encourage technology growth, the effective incentive benefit rate should be revised and the business process in accessing the incentive should be simplified.

Additionality: the purpose of the R&D tax incentive is more than stimulating scientific discovery; it is also to promote investment in the knowledge economy

The R&D tax incentive does not merely support the creation of R&D roles to undertake qualifying projects. There are various of additional benefits of R&D investment. First, the expertise and knowledge resulting from R&D projects are essential in developing manufacturing processes and equipment. Once products are launched, they often require ongoing improvement and further evolution. Whereas these post-production activities may not qualify for an R&D tax benefit, improvement would not be possible if the initial know-how and research were not conducted.
A notable example is a South African company that grew its R&D personnel over several years based on the success of R&D projects supported by the incentive. Over time, the company has constructed new facilities – amongst other reasons – to house a larger R&D team with the latest equipment. The expansion meant the creation of new jobs, the generation of new products and services, as well as the creation of international benefits and opportunities.

Conclusion

In the wake of the COVID-19 pandemic, it is now widely recognised that commercial R&D is vital to society and that part of the economic recovery will depend on restoring business dynamism. The R&D tax incentive is one of a few innovation policy instruments that can make a significant difference in spurring innovation and entrepreneurship; if it is designed correctly. The incentive should remain, with a view of reducing compliance costs through simpler and shorter business processes to access the benefit. The definition and interpretation of R&D should be broadened to include more innovation in recognition of 4IR.

A stable and reliable, political, and public policy environment is necessary to nurture an increasing amount of technological growth.

THE TAXING BUSINESS OF RESCUING SMMEs:

KEY TAX CONSIDERATIONS DURING BUSINESS RESCUE

15 minutes CPD

▸ **TSANGA MUKUMBA,** Associate Tax & Exchange Control - Cliffe Dekker Hofmeyr Inc
& DRIES HOEK, Director Tax & Exchange - Cliffe Dekker Hofmeyr Inc

In ordinary times, small businesses and start-ups face many challenges to their success. COVID-19 exponentially increased the burden entrepreneurs faced and torpedoed the context in which business plans and growth projections were drafted.

In South Africa, the business rescue process set out in chapter 6 of the Companies Act 71 of 2008 provides a mechanism for all companies and closed corporations (CCs) to lean on a process which is designed to help their businesses out of financial distress. Where this process fails, it ensures equitable division of the available funds between the stakeholders in the business-attempted rescue.

Major enterprise with sophisticated finance and human resources capacity enters business rescue; the focus of tax practitioners is often on how to efficiently structure the transactions aimed at streamlining the corporate group – unlock buried value.

With small, medium, and micro enterprises (SMMEs) the key concern, from a tax perspective, is to ensure that SARS' pre-business rescue claim is correctly calculated, that the calculation is based on past returns for all applicable text types and that continued compliance with the distressed company's tax obligations, which includes any payments under an adopted business rescue plan, is ensured.

This requires the business rescue practitioner (BRP) to fully assume the management and control of the company. To ensure the above control, it is critical that the BRP has access to and/or authority over at least:

- the compilation of the financial accounts of the business;
- all payments made and received by the business; and
- the compilation and submission of all necessary tax filings.

Although SARS is empowered to agree to a given amount of liability for tax in a business rescue plan, this should be done after all material facts have been presented to SARS. Should this not be the case and should material facts come to light during the rescue process, SARS may have grounds for seeking to void or alter the business rescue plan in court.

Under section 140 of the Companies Act, the BRP, replaces the board of directors of the company and has full management in substituting for the board of directors during business rescue proceedings.

For tax purposes, once the business rescue plan has been adopted, the BRP becomes responsible for all tax compliance by the company in rescue. Section 248 of the Tax Administration Act 28 of 2011 (TAA), prescribes that the BRP is the Public Officer of the company in rescue, once the business plan has been adopted. As a result, the BRP meets the definition of the representative taxpayer in section 1 of the Income Tax Act 52 of 1968, for that ccompany; this triggers the representative taxpayer liability provisions in chapter 10 of the TAA.

As the public officers and representative taxpayers of companies in rescue, BRPs assume all the responsibility for the companies' tax filings and liability in substitution for the previous public officer and representative taxpayer.

Most importantly, as the representative taxpayer, the BRP also assumes the potential for personal liability for the company's tax debts. Under section 155, representative taxpayers may be held personally liable for the tax debts of the companies which they represent, where they:

- alienate, charge or dispose of amounts in respect of which the tax is chargeable; or
- dispose of or parts with funds, which are in the representative taxpayer's possession or come to the representative taxpayer after the tax is payable if the tax could legally have been paid from or out of the funds.

In the context of business rescue, it is crucial that the BRP ensures the past compliance of the company with its tax obligations to ensure that the quantum of SARS' claim is properly calculated when the plan is proposed and to ensure continued compliance while the plan is being affected.

SARS' claim comprises of all tax debts regarding the tax types applicable to the company, including Income Tax, VAT, PAYE, and customs and excise taxes. It is also important to properly account for the tax treatment of aspects of the business rescue plan such as recoupments and the consequences of debt compromises.

With SMMEs, the two core areas of tax compliance of concern for BRPs are operational and employee-related. The BRP, as the representative taxpayer, is responsible for compliance with tax obligations arising from the income and expenditure from operating the business, and from the business hiring employees. ▶

"In the context of business rescue, it is crucial that the BRP ensures the past compliance of the company with its tax obligations to ensure that the quantum of SARS' claim is properly calculated when the plan is proposed and to ensure continued compliance while the plan is being affected"

- Tax debts incurred before the adoption of a business rescue plan rank concurrently with all other pre-rescue unsecured creditors. The weight of SARS' vote on the business plan is dependent on a proper calculation of the outstanding funds and liability to SARS. This is the reason the past tax compliance of the company must be verified by the BRP. As noted above, failure to do so can render the business rescue plan voidable.

  Following the adoption of the business rescue plan, the tax debts, which the company incurs in the course of operations under the plan rank concurrently with other unsecured creditors whose claims arise after the adoption of the plan.

  This position can be derived from the obiter ranking of claims under business rescue as decided by the Court in the case of *Redpath Mining South Africa (Pty) Ltd vs Marsden N.O. & Others*. There, in paragraph 60, the following ranking was given to the creditors' claims:

1. *The BRP for remuneration and expenses, other costs of business rescue such as legal and other professional fees;*
2. *Employees for salary claims arising after the commencement of business rescue;*
3. *Secured post-commencement finance,being amounts loaned to the company after the commencement of business rescue as contemplated in section 135 of the Companies Act;*
4. *Unsecured post-commencement liabilities;*
5. *Pre-business rescue secured creditors;*
6. *Employees for salary claims arising before the commencement of business rescue; and*
7. *Pre-business rescue unsecured creditors.*

Under the above ranking, tax debts incurred before business rescue rank seventh and tax debts incurred after the commencement of business rescue rank fourth. This position was confirmed in *CSARS vs Beginsel NO & Others (Beginsel Case)*, where the Court rejected an argument that SARS' preference under the Insolvency Act 24 of 1936, ought to inform business rescue proceedings under the Companies Act, giving it preference to other pre-business rescue unsecured creditors.

As can be seen from the above ranking, employees' costs rank above even secured creditors following the commencement of business rescue. For salary claims, which arose before business rescue, the employees hold both preference to SARS and to other unsecured creditors' claims. The entitlement of the employees does not create a preferent claim for SARS to the associated amounts. This applies to both the pre-and post-business rescue salary claims.

The basis for this is that the amounts that would be owed to SARS as statutory tax debt, would, consequently, following the judgement in the *Beginsel Case*, not receive any preference aside from what is legislated in the Companies Act.

This position is also reinforced by the decision in the *CSARS vs Pieters (Pieters Case)*. There, SARS had claimed a right to preferentially be paid the PAYE associated with payments to employees at liquidation.

In the *Pieters Case,* SARS had objected to a liquidation and distribution account as no provision had been made for PAYE associated with the employees' preferent remuneration claims. The Court held that on a proper construction of both the Income Tax Act and Insolvency Act, the PAYE payments do not rank equally to the preferential remuneration claims. This was based on the exclusion of liquidators from the scheme of the Fourth Schedule to the Income Tax Act, which contains the taxing provisions for PAYE, because the basis for the preference of employees' remuneration claims was legislated to achieve a 'social justice objective aimed at alleviating the plight of employees who are left unpaid by the financial woes of their liquidated employer company'.

Overall, BRPs who are undertaking to rescue a small business while implementing the rescue plan, must be mindful of the risk of past non-compliance with tax obligations and they must equally ensure continued compliance. Correct quantification of both SARS' pre-and post-business rescue claims is critical to the integrity and success of the business rescue process. Beyond this, it is incumbent on the BRP, as the representative taxpayer of the SMME, to ensure compliance with all its tax obligations. Should this not be properly carried out, the BRP may open themselves to personal liability for the tax debts of the business that they are rescuing.

CORPORATE PROVISIONAL TAX: ONGOING HEADACHES

15 minutes CPD

JOHANN BENADÉ, Associate Director Corporate Tax Compliance, BDO

The legislation providing for the payment of provisional tax by corporates has been in place for several years; the last time a major change was made was in 2014, when the present provisions for penalties for underpayment of provisional tax as a result of underestimation were introduced. This article offers a detailed look at corporate tax and its ups and downs.

For taxpayers with an assessed taxable income of less than R1 million per year, paragraph 20 of the Fourth Schedule to the Income Tax Act requires that the aggregate of the amounts paid by way of first and second provisional tax payments should not be less than 90% of the total tax liability on assessment. Should this not be the case, a 20% penalty is imposed on the shortfall.

Where the assessed taxable income exceeds R1 million per year, the aggregate of the amounts paid by way of first and second provisional tax payments should not be less than 80% of the total tax liability on assessment. Once again, should this not be the case, a 20% penalty is imposed on the shortfall. In practice, many companies continue to incur these under-estimation penalties through ignorance or due to factors genuinely beyond their control.

Where the Commissioner is satisfied that the amount of any estimate which was seriously calculated with regard to related factors, which was not deliberately or negligently understated, or if the Commissioner is partly satisfied, the Commissioner may in their discretion remit the penalty or a part thereof.

In addition, section 89 of the Income Tax Act provides for interest to be imposed on the underpayment of provisional tax calculated for a period commencing six months after the end of the company's financial year and ending on the date of the assessment. Where the Commissioner is satisfied that the interest payable as a result of circumstances is beyond the control of the taxpayer, the Commissioner may direct that the interest shall not be paid in whole or in part by the taxpayer.

The estimate of the second provisional tax payment must be submitted to SARS before the last day of the company's financial year. This means that the estimate is often based on the latest available, unaudited management accounts for the year to date, with a projection made of the expected profits for the rest of the financial year.

Numerous factors could cause the final assessed taxable income to exceed the estimated taxable income as submitted for provisional tax purposes.
These factors include:

- Unexpected improvements in trading results for the last part of the financial year;
- Better-than-expected collections from trade debtors that result in lower-than-expected bad debts, write-offs and provisions for doubtful debts;
- Adjustments to provisions required to be made by the external auditors during the annual audit, which are typically completed well after the end of the financial year;
- Exchange rate fluctuations resulting in an unexpected increase in taxable income;
- Transfer pricing adjustments; and
- Adjustments made after the financial year end by SARS to income tax assessments issued for previous tax years, which have resulted in reduced assessed losses being available for set-off against the current year's taxable income.

Once the under-estimation penalties have been imposed by SARS, the taxpayer is entitled to submit a request for the remission of penalties and interest (commonly referred to as an 'RFR'). The reasons for the underestimation must be provided. SARS may respond by accepting the request and by remitting the imposed penalties and interest. Alternatively, the RFR may be rejected and the company may then submit an objection against the imposed penalties and interest. The company may then also submit a request for the suspension of payment of the amount due, pending the outcome of the objection and any subsequent appeal against the disallowance of the objection.

In the meanwhile, the due date for the payment of the disputed assessment would have come and gone; SARS then typically issues a Letter of Final Demand. The Act provides that if a taxpayer fails to respond to the Letter of Final Demand within 10 days from the date of issue, SARS may legally commence with

collecting the amount due. This routinely includes issuing a Third-Party Appointment letter to the taxpayer's bank, thus enabling SARS to withdraw the disputed amount from the taxpayer's bank account.

So, while the aggrieved taxpayer is still well within the legally prescribed period for lodging an objection to the disputed assessment, SARS has already taken the money out of its bank account.

This application of the so-called 'Pay Now, Argue Later' principle has left numerous taxpayers impoverished and it has caused severe hardship to them, particularly where their businesses are already battling to overcome the devastating effects of the COVID-19 lockdowns during the last two years.

In some cases, taxpayers require Tax Clearance Certificates for business tender purposes. The current SARS system forces them to settle the disputed assessments, pending or even after the submission of a valid objection, purely to obtain the essential Tax Clearance Certificates. Once paid, it often takes many months to obtain a corrected assessment and a tax refund.

Tax practitioners are finding it impossible to submit a request for Suspension of Payment on e-Filing without simultaneously submitting the notice of objection. The e-Filing system does not cater for requests for suspension of payment to be submitted separately.

Requests for suspension of payment submitted to SARS via other channels, for example, by way of e-mails to the official SARS tax practitioners mailboxes are in practice, flatly ignored. This mismatch of the objection and suspension of payment processes needs urgent attention.

According to SARS, the principle that taxpayers are required to pay taxes that are the subject of a dispute with SARS, is a long-standing issue that has been affirmed by the highest court in South Africa. This means that a taxpayer is obliged to pay the tax reflected in an assessment as due, even if he/she disputes the correctness of the assessment.

Arguably, demanding payment of the debt within 10 days of issuing a Letter of Final Demand, while the taxpayer is in the process of formally lodging an objection or while awaiting its outcomes, would appear to be unfair.

It can also be argued that SARS does not take information at its disposal into account. As mentioned above, Letters of Final Demand are still issued while taxpayers await the outcomes of formally submitted Letters of Objections and Suspension of Payment. Additionally, SARS is then taking collection steps when legally barred from doing so because decisions have not been taken on these requests as yet.

"So, while the aggrieved taxpayer is still well within the legally prescribed period for lodging an objection to the disputed assessment, SARS has already taken the money out of its bank account"

IT14SD RETURNS FOR LARGE BUSINESS: LATEST WORRIES

30 minutes CPD

YASMEEN SULIMAN, Tax Partner - Bowman Gilfillan Incorporated

While it seems like a good idea to reconcile the declarations made by taxpayers on the different tax types, it is often not a simple task to perform in practice. This is due to the complexity of large companies and unfortunately, the simplistic design of the IT14SD means that it is almost inevitable that there will be reconciling items.

The IT14SD return is a supplementary declaration to the corporate tax return, the ITR14. Simply, the IT14SD requires corporate taxpayers to reconcile certain aspects of their income tax declarations on the ITR14 to output tax declarations on VAT returns; input tax declarations on VAT returns; employees' tax declarations on employees' tax (PAYE) returns; and/or customs declarations for imports and exports.

When are IT14SD returns issued to taxpayers?

IT14SD returns are not automatically issued to all corporate taxpayers.
In a discussion with a senior SARS official a few years ago, the official indicated that SARS was considering making the IT14SD a permanent feature of the ITR14 return as SARS felt that the IT14SD was a good mechanism to identify areas of non-compliance – luckily, this did not come to pass; if it had become a permanent feature of the ITR14 return, the cost of compliance would certainly have increased.

There was a further rumour circulating early in 2021 that SARS was considering removing the requirement to submit an IT14SD. However, judging from the number of IT14SD returns that have been issued over the past few months, this rumour may not have much substance. SARS has been cagey about the parameters applied in requiring a corporate taxpayer to submit an IT14SD. From experience, the following appear to be triggers for an IT14SD to be issued:

1. Income tax refund due to the taxpayer owing to an overpayment of provisional tax.
2. Mismatches between declarations on different tax types, for example: a company that does not declare any turnover or cost of sales on its ITR14; a company declaring zero-rated supplies but declaring no exports on its customs declarations; a company using another entity's customs number to import goods; and a company declaring salaries/wage expenses on its ITR14 but no or low PAYE declarations.
3. Risks detected, for example, an abrupt drop in sales or income for the year or cessation of trade.

"In the SARS Guide on how to complete the IT14SD, SARS indicates that where an IT14SD is issued, the taxpayer has the option of either filing a request to correct the ITR14 return or to submit the IT14SD for that tax year"

4. A random selection for verification, for example, IT14SD's were issued to companies that were only registered for income tax and no other taxes.

Timeframe to submit IT14SD returns

The normal timeframe to submit an IT14SD return is 30 days; it should be noted that these are calendar days, not business days. After a period of 30 days expires, SARS usually issues a final notice to demand that the IT14SD be submitted within a further 30-day period. This notice seems to provide an automatic extension to tax payers for the submission of the return.

Often, the 60-day timeframe does not allow sufficient time for taxpayers to prepare the IT14SD. This is often because many corporate taxpayers submit their tax returns close to the end of their financial year so the due date for submission of the IT14SD clashes with audit and reporting deadlines. Taxpayers also experience difficulty in performing reconciliations due to the complexity of the business.

In practice, we have found that, on request, SARS does provide a further extension of up to 90 days to submit the IT14SD return, so a taxpayer could have up to 150 days (approximately 5 months) to complete and submit the return.

However, taxpayers should be aware that applying for an extension could result in delaying the release of an income tax refund. In the case of a refund, the issuance of the IT14SD is often the first step in verifying or auditing the refund.

Does the issuing of an IT14SD constitute an audit?

In the SARS *Guide on how to complete the IT14SD*, SARS indicates that where an IT14SD is issued, the taxpayer has the option of either filing a request to correct the ITR14 return or submitting the IT14SD for that tax year.

The question that arises is whether the issuing of an IT14SD constitutes an audit. It seems that the issuing of an IT14SD is the first step in the verification of an income tax return. Whereas some taxpayers are of the view that SARS has not commenced an audit as yet, in practice, SARS has rejected voluntary disclosure applications to regularise an income tax default, on the basis that SARS has already commenced an income tax audit on the taxpayer. This is particularly problematic where a taxpayer wants to regularise an income tax default for a tax year other than the tax year for which the IT14SD was issued.

- It should be noted that if a taxpayer wants to regularise a default on another tax type (for example, VAT or PAYE) and the taxpayer has not been notified by SARS that it has commenced an audit on that tax type, the IT14SD should not be a reason for SARS to decline a voluntary disclosure application. This means that if, during the course of preparing the IT14SD, a taxpayer identifies a VAT or PAYE default, it may be able to submit a voluntary disclosure application to regularise this before submitting the IT14SD return.

Typical issues encountered in practice

The design of the IT14SD return means there will, almost, always be reconciling items; effectively, taxpayers are required to 'compare apples with oranges'.

Ideally, taxpayers should perform the reconciliations regularly and should be able to draw appropriate detailed reports from their accounting systems to be able to perform the necessary reconciliations. However, in practice, performing the reconciliations is time-consuming and the software tools to draw the appropriate reports can be expensive.

In light of the fact, the IT14SD is not yet a permanent feature of the corporate tax compliance process and its issuance is not guaranteed, most companies rightfully may not view investment in time and software as necessary. In practice, many companies perform the reconciliations as and when necessary at the time when the IT14SD is issued.

VAT reconciliations

Typical issues encountered in practice in performing the VAT reconciliations include the following:

1. VAT periods that straddle two tax years, for example, category A and B vendors, who submit VAT returns every two months. The taxpayer will need to exclude the VAT declarations for those months that do not fall within the tax year in question.
2. If the VAT rate changes during the tax year, the taxpayer will need to be careful to apply the correct VAT rates for the relevant periods and separately identify those supplies that would have been subject to the transitional rules, for example, where a credit note is required to be issued using the old VAT rate because the original supply had taken place before the new VAT rate came into effect.
3. A company with more than one VAT number will need to ensure that it includes the VAT returns submitted under all the VAT numbers in the reconciliations.
4. A company with several divisions and only one VAT number, may have to perform a 'mini' IT14SD reconciliation for each division and stack up the calculations to produce the reconciliation for the company as a whole.

Output VAT reconciliation

In the output VAT reconciliation, the taxpayer is required to reconcile total supplies per the VAT201 returns to the gross sales per the ITR14 return.

Typical issues encountered in practice in performing the output VAT reconciliations, include the following:

1. Taxpayers will need to take into account other income that is not included; in gross sales on the ITR14, for example: rental income; administration and management fees; insurance proceeds; bad debts recovered; scrap sales; and proceeds on disposal of assets.
2. Industries with complex revenue recognition principles may give rise to a difference in timing between the recognition of income for income tax and VAT purposes such as the construction industry.
3. Invoices issued for the recovery of expenses are credited against the various expenses in the income statement, instead of being included in gross sales.
4. Certain income items are credited to the balance sheet, for example, income received in advance or invoices issued for the recovery of expenses credited to loan accounts or control accounts.
5. Credit notes issued to customers and/or discounts allowed set-off against sales in the trial balance but included in input tax on the VAT201 return.
6. Credit notes received from suppliers and/or discounts received set-off against purchases/various expenses in the trial balance but included in output tax on the VAT201 returns.
7. Zero-rated invoices and credit notes are not disclosed on the VAT201 returns.
8. Exempt supplies not disclosed on the VAT201 returns.

Input VAT reconciliation

In the input VAT reconciliation, the taxpayer is required to reconcile total acquisitions per the VAT201 returns to the cost of sales per the ITR14 return.

Typical issues encountered in practice in performing the input VAT reconciliations include the following:

1. Companies incur VAT on various operating expenses or overheads that are not included in the cost of sales, for example, advertising or marketing expenditure.
2. Fixed assets acquired and prepaid expenses which are included in the balance sheet.
3. Other expenses, which are not subject to VAT are included in the cost of sales, for example: direct labour costs; depreciation; and goods and services acquired from non-vendors.
4. Where a company uses standard costing, the standard costing variances are included in the cost of sales.
5. If a company is an importer with a deferment account with SARS Customs, which results in timing issues over year-end.
6. Customs upliftment of 10% applied to goods imported from outside the common customs area.

PAYE reconciliation

In the PAYE reconciliation, the taxpayer is required to reconcile the total employment cost per the ITR14 to the employment cost on which the PAYE liability was calculated, that is, taxable remuneration.

Typical issues encountered in practice in performing the PAYE reconciliations include the following:

1. Employer contributions to the UIF and for the Skills Development Levy are excluded from taxable remuneration but are usually included as part of total employment cost on the ITR14.
2. Amounts disclosed separately in the ITR14 return from employment costs – for example, commissions paid to employees, compensation for loss of office, and restraint of trade payments.
3. Salary and wage costs are included in the cost of sales on the ITR14, rather than being disclosed underemployment costs.
4. The movement in various employee provisions would usually be reconciling items – for example, the increase in a bonus provision, or decrease in the leave pay provision.

Customs reconciliations

Typical issues encountered in practice in performing the customs reconciliations include the following:

1. 10% customs upliftment in respect of goods imported from outside the common customs area.
2. There is usually a difference in value at which imported goods are recorded in the taxpayer's general ledger versus the value on which customs VAT is calculated – for example, different exchange rates could be applied to translate the foreign amount to Rand.
3. Assets imported are disclosed in the balance sheet and are not part of the cost of sales
4. Taxpayers erroneously zero-rate certain supplies for VAT purposes – for example, in the case of an export classified as a direct export but the taxpayer is not responsible for the removal of the goods from the country.
5. Zero-rated invoices and credit notes are not disclosed on the VAT201 returns.
6. Cut-off for financial reporting purposes versus the timing of entries for customs purposes.

Conclusion

The process to complete an IT14SD properly is not straightforward. In my experience, although not easy, the IT14SD process has been useful in identifying areas where taxpayers are non-compliant or may have made errors.

It, therefore, seems likely that the IT14SD will remain part of the corporate tax compliance for the foreseeable future.

"In the SARS Guide on how to complete the IT14SD, SARS indicates that where an IT14SD is issued, the taxpayer has the option of either filing a request to correct the ITR14 return or to submit the IT14SD for that tax year"

NON-COMPLIANCE PENALTIES FOR LATE RETURNS: A BROADER SCOPE OF APPLICATION

15 minutes CPD

LOUISE KOTZE, Associate in the Tax and Exchange Control Department - Cliffe Dekker Hofmeyr Inc

SARS is required, in terms of section 210 of the Tax Administration Act, No 28 of 2011 (TAA), to impose fixed non-compliance penalties on taxpayers who fail to comply with any obligation that is imposed by any tax Act and who are listed in a public notice. This article takes a closer look at the penalties that have been imposed on non-compliant parties.

Since 2012, the only incidence of non-compliance that was subject to section 210 of the Tax Administration Act, No 28 of 2011 (TAA) penalty was the failure by a natural person to submit their tax return timeously:

- as and when required by the Income Tax Act, No 58 of 1962 (ITA);
- for years of assessment commencing on or after 1 March 2006; and
- in circumstances where that person has two or more outstanding income tax returns for such years of assessment.

Given SARS' strategic objective of making non-compliance by taxpayers more costly, it came as no surprise at the end of 2021, when the list of non-compliance incidences in a public notice (in respect of which a penalty may be imposed) was broadened.

Imposition of non-compliance penalties

With effect from 1 December 2021, the following two incidences of non-compliance will be subject to a fixed penalty:

1. failure by a natural person to submit an income tax return as and when required under a tax Act, for years of assessment commencing on or after 1 March 2006, where that person has, (with effect from 1 December 2021)
   a) two or more outstanding income tax returns for years of assessment commencing on or after 1 March 2006 but ending on or before 29 February 2020; or
   b) one or more outstanding income tax returns for years of assessment commencing on or after 1 March 2020; and
2. failure by a natural person to submit an income tax return as and when required under the ITA, for years of assessment commencing on or after 1 March 2006, where that person has, with effect from 1 December 2022, one or more outstanding income tax returns.

Of particular importance with regard to these changes, is that SARS will ultimately be empowered to impose a penalty for the late submission of a return where only one or more income tax returns are outstanding. Previously, an individual taxpayer would only be liable for such penalties if they had two or more outstanding returns. As a natural consequence, a significantly larger number of taxpayers are likely to become liable for non-compliance penalties on the basis that they require only one outstanding tax return to fall within the ambit of section 210 of the TAA.

However, provision has been made for a transition period of one year, with the result that

1. for the period of 1 December 2021 to 30 November 2022: a), the 'one or more' tax return rule will apply only to tax returns for the 2021 year of assessment and b) the previous rule of 'two or more' tax returns will apply in respect of tax returns for the 2006 to 2020 years of assessment; and
2. from 1 December 2022, the 'one or more' tax returns rule will apply to all tax returns in respect of all years of assessment commencing on 1 March 2006.

"A taxpayer's non-compliance will be regarded as a 'first incidence' (as defined in the TAA) to the extent that no penalty assessment under Chapter 15 of the TAA has been issued to that taxpayer during the preceding 36 months"

The quantum of the penalty to be imposed for the incidences of non-compliance contemplated above is determined by the table contained in section 211 of the TAA; it is dependent on the assessed loss or taxable income of the individual taxpayer involved for the immediately preceding year of assessment. These fixed penalties range from R250 to R16 000 and they are imposed in respect of each month (or part thereof) that the taxpayer fails to remedy their non-compliance within one month after:

- the date of assessment of the penalty (if SARS is in possession of the current address of the taxpayer and is able to deliver the assessment), limited to 35 months from the date of the assessment; and
- the date of the non-compliance (if SARS is not in possession of the current address of the taxpayer and is unable to deliver the penalty assessment), limited to 47 months from the date of non-compliance.

Remission of non-compliance penalties

Non-compliance penalties that have been imposed by SARS may be remitted, in terms of section 217 of the TAA, if the said penalty has been imposed in respect of:

a. a 'first incidence' of non-compliance; or
b. an incidence of non-compliance if the duration thereof is less than five business days.

A taxpayer's non-compliance will be regarded as a 'first incidence' (as defined in the TAA) to the extent that no penalty assessment under Chapter 15 of the TAA has been issued to that taxpayer during the preceding 36 months.

In addition to the above, a fixed penalty (or portion thereof) may be remitted by SARS up to an amount of R2 000 if SARS is satisfied that:

a. reasonable grounds for the non-compliance exist; and
b. the non-compliance in issue has been remedied.

'Reasonable grounds' is not defined in the TAA but the High Court, in the case of *Peri Framework Scaffolding Engineering (Pty) Ltd vs CSARS* (A67/2020) (23 August 2021), did provide some guidance with regards to circumstances that may establish 'reasonable grounds' in the context of non-compliance penalties.

Specifically, the court concluded that 'reasonable grounds' for the taxpayer's non-compliance existed in light of –

- *the manner in which the taxpayer, when it realised that it would be unable to comply with its tax obligation, attempted to rectify the deficiency;*
- *the fact that the taxpayer's non-compliance was remedied on the first business day after the date of non-compliance (with the result that SARS suffered no prejudice); and*
- *the fact that there was no malintent on the part of the taxpayer.*

It should be borne in mind that, while a court would be wary of punishing a taxpayer for the actions of their tax advisors, there is a duty on taxpayers to ensure that the professionals that they employ are diligent and that their tax obligations are complied with (ITC 1882 78 SATC 165). As such, taxpayers cannot merely contend that their tax consultants were responsible for the non-compliance, as a consequence of which 'reasonable grounds' exist for the non-compliance by the taxpayer.

Non-compliance penalties may also be remitted (wholly or in part), in terms of section 218 of the TAA, where 'exceptional circumstances' rendered the taxpayer incapable of complying with their tax obligations. 'Exceptional circumstances' are, in terms of subsection (2), limited to (amongst others): a natural or human-made disaster; a civil disturbance or disruption in services; a serious illness or accident; serious emotional or mental distress; and serious financial hardship.

Given the COVID-19 pandemic, the accompanying national lockdown and the catastrophic impact that the aforementioned has had on many individuals, it may be possible to argue the existence of 'exceptional circumstances' (since the inception of the lockdown) that resulted in individual taxpayers' non-compliance with their tax obligations. Should a taxpayer be able to show that it was any of these circumstances that had caused their non-compliance, SARS may remit the non-compliance penalty. However, the burden of proof will be on the taxpayer to show that the circumstance(s) existed and that the impact thereof was such that it rendered them incapable of submitting their tax return timeously.

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PULLING THE MONEY OUT: Bringing your profits home

60 minutes CPD

NIKKI KENNEDY, Co-owner of NK Accounting Services and Lecturer at Akademia

Small business owners are most often than not faced with the task of withdrawing money for personal use while taking into consideration the tax consequences of the action. This article offers a detailed breakdown of such a process.

There are different ways in which an individual may choose to operate a business. Some small business owners opt for a private company as the legal vehicle through which to do so. Business owners who operate a business through a company, must consider how to withdraw money earned in the company for the benefit of the owner. This is not always straightforward. It can cause heartache to the business owner if it is with full consideration of the tax consequences. Also, it often leads to headaches and frustration; the tax practitioner has to explain the implications of actions taken by the business owner after the fact, when very little can be done to mitigate any adverse tax consequences.

Business and business owner – two separate legal entities

We must consider a few ways in which funds may be withdrawn in an owner-managed business and the potential tax consequences. The main point to note is that the business owner (the individual with the dreams, dedication, commitment, and tons of hard work and discipline) is a different legal entity from the business (the company or close corporation that is registered at CIPC, SARS, UIF, Compensation Fund and at any other regulatory body that might require registration of the business for trading purposes and as an employer). There is indeed a close connection between the business owner and the business. These two are, however, two distinctly different legal entities – and herein lies the problem. The business owner assumes all the responsibilities for the business and tends to think of the business as a mere extension of the said business owner. This is not legally the case and it can have dire tax consequences if the distinction between business and business owner is not properly adhered to and managed.

Do not live out of your till

It is advised that a person starting a new business is to separate their private interest and that of the business from the start. 'Do not live out of your till', the saying goes. One must see the business in a similar light as an employer, draw a salary, potentially earn dividends, do a proper expense claim for business expenses paid on behalf of the company, submit a travel claim where a private vehicle was used for business purposes, agree upon a director fee for each of the directors in the business. Also, ensure that documents clearly distinguish between the business owner and the business. If you want to do something differently from how you have done it in the past, be sure to discuss this with a tax practitioner beforehand. In doing so, you can get sound advice to make an informed decision about what the best way forward might be for the business, its owners and/or directors. In addition, this should enable you to understand the tax consequences of your actions.

In the difficult and restrictive times that we have experienced during more than two years due to COVID-19 and the various lockdown levels, several business owners had to sacrifice so much to ensure that their businesses remained afloat. These sacrifices

included in many instances taking a significant salary reduction or even ploughing own funds into the business. Seeing that big deal finally materialising and the business having some spare cash in the bank, creates an expectation that this is now the business owner's rightful time to receive something in return for all the sacrifices and hard work done for very little reward over the past two years. Always consider what makes business sense; then consider what is allowed and what would be the most tax effective way in which to take these funds. In *Duke of Westminster vs IRC 1953 (UK)*, Lord Tomlin famously stated that "every man is entitled, if he can, to order his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be". However, it is important to tread carefully to remain within the confines of what is allowed and not to venture into the realm of tax evasion – an illegal method of paying less or no tax.

Ways to withdraw funds from the business

In considering various ways of how the withdrawal of funds from the business by the business owner may be structured, the focus will be on the following:

- Salary and bonus, including reimbursements for all business expenses paid on behalf of the business;
- Dividends;
- Directors' fees;
- Loans; and
- Sale and leaseback.

Salary and bonus (and everything in between)

Your salary and bonus

It is important to draw a salary from the business – not only from a tax perspective but from a business perspective. Drawing a market–related salary shows the sustainability of the business; this will come in very handy when the time comes to sell the business or to invite investors in the business in future. They will be able to see sound financial information which indicates all expected future remuneration and investment returns. Please bear in mind that, just as a salary earned while working for a boss had a PAYE deduction attached to it, so too, will this salary. The salary should be in line with the work being performed. While determining an appropriate performance bonus for the business owner, bear in mind that this performance bonus is still taxable and that it will therefore be necessary to cover the PAYE tax on this bonus.

Do not pay for private expenses through the business. This does not only cloud the business's financial information that can lead to many more fees and much work involved to distinguish business expenses, but it also opens up the can of worms of the business paying for expenses on owner's behalf; thus creating a taxable fringe benefit.

Salary and bonus for spouse and children or other dependents

Be very careful to include a salary for a spouse or for children. Do this only if they are involved in the business. Their salary should also be in line with the work that they perform. Further to *Tobacco Father vs COT 1951 (1) SA 150 (SR)*, just because there is a connected party relationship will not imply that the expense is excessive, however SARS will look closer at such transactions to determine whether the salaries are indeed aligned to the work performed. If the substance found wanting, the business might not be able to show the salary as a deduction while it will remain taxable to the person who earned the salary. A connected person in this case is defined in section 1 of the Income Tax Act. Remember the anti–avoidance regulations and in particular section 7(2) of the Income Tax Act, which deals with a situation where the income of a spouse may be deemed to be income of the other spouse when considering who performed the work.

Salary structuring and fringe benefits: The Seventh Schedule

The Seventh Schedule to the Income Tax Act provides a list of fringe benefits and how to calculate the value of the taxable benefits. This is well worth a read to ensure that the implications of certain transactions that might be considered a taxable benefit are understood.

Salary structuring: Travel allowance, reimbursed travel claim or company car

As a business owner, you are welcome to structure your salary in the same way as you would for your fellow employees. Bear in mind that, just as the salary structure for your employees will need to be justified and will taxable income to your employees with the accompanied PAYE deduction requirement, so too, will your remuneration.

If a travel allowance is included, be sure to remember to keep a proper logbook of all business-related travel that you do with your vehicle. Even though only 80% of your travel allowance will be taxed through payroll, the full travel allowance will remain taxable. You will need to prove through a logbook and the original purchase invoice for the vehicle that you have actually incurred costs and have indeed travelled for business purposes. This is done to avoid paying tax when a personal income tax return is submitted to SARS.

Moreover, consider using travel claims for business travel, instead of a travel allowance. If you were to submit a travel claim and the business pays out for business travel according to the SARS rate per kilometre (currently set at R4.18 per kilometre for the 2023 year of assessment), this may be processed as non-taxable reimbursement through the payroll.

Be sure that your business has a proper policy in place for this, to allow all employees to utilise this benefit. ▶

"Every man is entitled, if he can, to order his affairs so that the tax attaching under the appropriate Acts is less than it would be otherwise"

- An alternative to the above is a company car. Be very careful with this option, though, using a company car for private travel is a fringe benefit to you and it is very seldom worth all the associated tax. The fringe benefit of a company car is 3.5% or 3.25% (if the vehicle were acquired with a maintenance plan) of the determined value (essentially the cost price, including VAT but excluding finance charges) 'per month'. This amount does not reduce over time. If the business requires a vehicle to be used in the business, rather let the business purchase the vehicle which could then be used exclusively for the business and which could remain on the business premises if not used for business purposes.

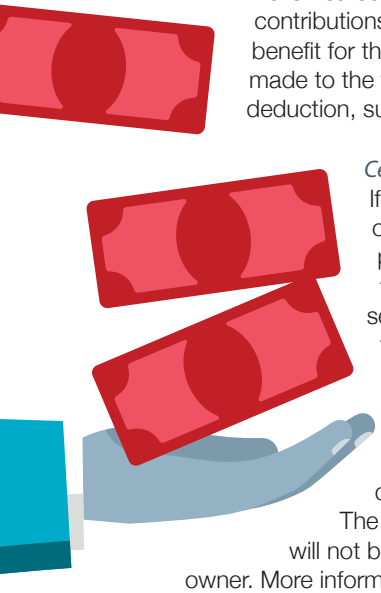
The SARS *Interpretation Note 14* (updated on 30 March 2021) covers allowances, advances, and reimbursements; it is worth the read to ensure that you understand what the revenue agency expects and how it will most likely deal with the above. In addition, the SARS *Interpretation Note 72* also deals specifically with the right of use of a motor vehicle (what we commonly refer to as a company car), clearly indicating that SARS wants to eliminate any potential ambiguity that might exist about this topic.

Salary structuring: Medical aid contributions

If the business will be paying for your medical aid contributions, remember that this is also a fringe benefit. This should therefore be processed through the monthly payroll with the accompanying medical tax credits that may be processed based on the number of people on your medical aid.

Salary structuring: Retirement annuity contributions, pension fund or provident fund

Similarly, if the business will be paying for your retirement annuity contributions, these are also seen as taxable fringe benefits with the accompanied deduction that might be applicable, subject to certain limitations. In instances where the business might be large enough to have its pension or provident fund, this is treated in the same way as the retirement annuity contributions. Therefore, there will be a taxable fringe benefit for the contributions that the business has made to the fund on your behalf, with the accompanied deduction, subject to certain limitations.



Cell phone and telecommunication services

If it is a business requirement that the business owner should regularly make use of a cell phone or other telecommunication services, the business may want to provide these services to the business owner. This means that the business will be responsible for the contract with the telecommunication service provider for the use of the business owner. Be sure to have a proper policy in place that stipulates that the use of these devices should be for business purposes. The incidental private or domestic use of these will not be seen as a taxable benefit to the business owner. More information on this may be found in the SARS Interpretation Note 77.

Home office

One thing that the lockdown restrictions taught us is that we can work from anywhere. If you were to work from a home office, be sure to take cognisance of the requirements for such a claim and be aware of the tax consequences that this might have. If the business were to pay rent to the business owner for the use of an exclusively and regularly used home office, bear in mind that the rental paid will be a tax-deductible expense for the business. However, at the same time, it will also be taxable income for the business owner. If the business owner's home is owned (not rented), there will also be capital gains tax consequences to the business owner when the property is sold in the future. This is because the area that was used and for which a home office deduction was claimed for tax purposes, would fall outside of the ambit of the primary residence exclusion. As this is an area that SARS has identified as a potential risk to the fiscus for abuse, the revenue agency will look at this quite closely as part of a review or audit of the business owner's personal income tax return.

Dividends

Another way in which funds may be withdrawn from the business by business owners would be in the form of a dividend. When considering paying a dividend, it is important to identify who the owners of the business would be. The owners of the business are the shareholders of the business, not the directors. The directors may also be the only shareholders, but this is not a given. The dividend that will be paid out, will be paid out to the shareholders based on their shareholding capacity. Before such dividends may be declared, a solvency and liquidity test must be performed per section 46(1) of the Companies Act. The board of directors will then authorise and approve the amount to be paid out to shareholders as a dividend.

Take note that dividends are paid after income tax has been paid by the business on the taxable income for the relevant year of assessment. This is therefore after-tax money that will be used to pay dividends. A dividend withholding tax of 20% will be payable. It may therefore be worthwhile to consider the effective tax rate that could be applicable to this total transaction, from the income tax to the dividend tax, to determine whether this option of withdrawing funds from the business would be the most appropriate and tax-efficient way.

Director fee

A director fee is paid to the directors of the company, as opposed to the dividends paid to the shareholders. This director fee is paid to the directors for taking on the responsibility of being a director of a company. It is therefore unlike a salary that is paid for the work being performed on the day-to-day operations of the business. Part of the responsibility of the directors would be to attend meetings, to be involved in decisions on the strategic direction of the business and to ensure that the

company fulfils all of its legal obligations. If found wanting, directors may become personally liable. Therefore, much responsibility is required to be the director of a company; a director's fee is consequently justified. Directors' fees paid to executive directors are subject to PAYE. Directors' fees paid to non-executive directors are not subject to PAYE. However, the director's fee remains taxable income and careful consideration should be given to the potential VAT implications for non-executive directors receiving such. SARS published *Binding General Ruling 40 and 41* in 2017 to clarify the treatment of directors' fees for PAYE and VAT purposes.

Loan

Very often, business owners will make use of a shareholder's loan in the business. There are several pitfalls that should be noted concerning these loans.

Credit loan

A credit loan is where the business owner puts money into the business with the intention that this money will be repaid by the business at a later stage when cash flow improves and allows for such repayments. It often happens that a business owner will need to put their own money into the business as formal funding through financial institutions is not always readily available for start-up businesses. Be sure to deal with these loans in the same way as you would have to deal with a formal loan. This does not only provide you with the peace of mind that the business can repay the loan from profits generated but it also ensures that you receive your funds back. Remember that the interest being earned on this loan will form part of your gross income and that it should be declared as such. As a natural person, there is an exemption available under section 10(1)(i) of the Income Tax Act on South African interest earned. Be careful to keep this interest in line with market-related interest rates and avoid excessive interest rates.

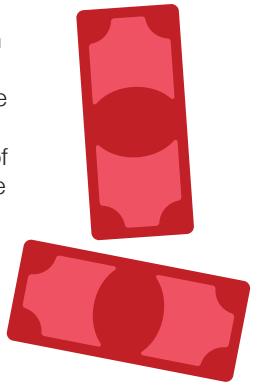
Debit loan

This type of loan is where the business owner owes the business. Be very careful here. Because there is a connected party relationship between the business owner and the business, it is important to ensure that these loans are handled with kid gloves. These loans should have a formal loan agreement in place, with market-related interest being charged and with fixed loan repayments. It is also worthwhile to be aware of the requirements as per the National Credit Act concerning reckless lending and the requirement to register as a credit provider. Remember, as the business owner and most likely as the director of the business, it is your responsibility to always act in the best interest of the business and to avoid exposing the business unduly to risk. There will also be a potentially deemed dividend applicable here. This will arise where the loan has attracted no interest or low interest that is less than the official interest rate. Therefore, not only will this loan have the potential of being subject to income tax as it will be seen as a fringe benefit, but it will also potentially be subject to dividend tax. The debit loan will furthermore remain in the company's books if not repaid and will continue to have these potential tax consequences in the future. Therefore, my advice would be to steer clear of this as a way in which to withdraw funds from the business.

Sale and leaseback

The final way in which the business owner might withdraw funds from the business relates to sale and leaseback.

One of these ways has already been discussed: the home office. This is where an area of the primary residence is used exclusively and regularly for business purposes. The business may rent this space, but please do bear in mind that the rental income will be taxable income to the business owner. This could also potentially expose the business owner to capital gains tax upon the sale of the residence due to the portion used for business purposes, which do not form part of the primary residence and which will, thus, need to be excluded from the exemption available.



Alternatively to the above would be where the business owner might own some assets that can be used in the business and sells these assets to the business. In this way, the business owner will receive funds for the sale of the assets, while at the same time the business will acquire some assets that can be used in the business. This is fine for a few movable assets. When we look at an immovable property, though, such transfer of ownership may be costly and these sales will imply that ownership will transfer to the business. The business owner, therefore, relinquishes the right to the asset and the ownership of the relevant asset.

The bottom line

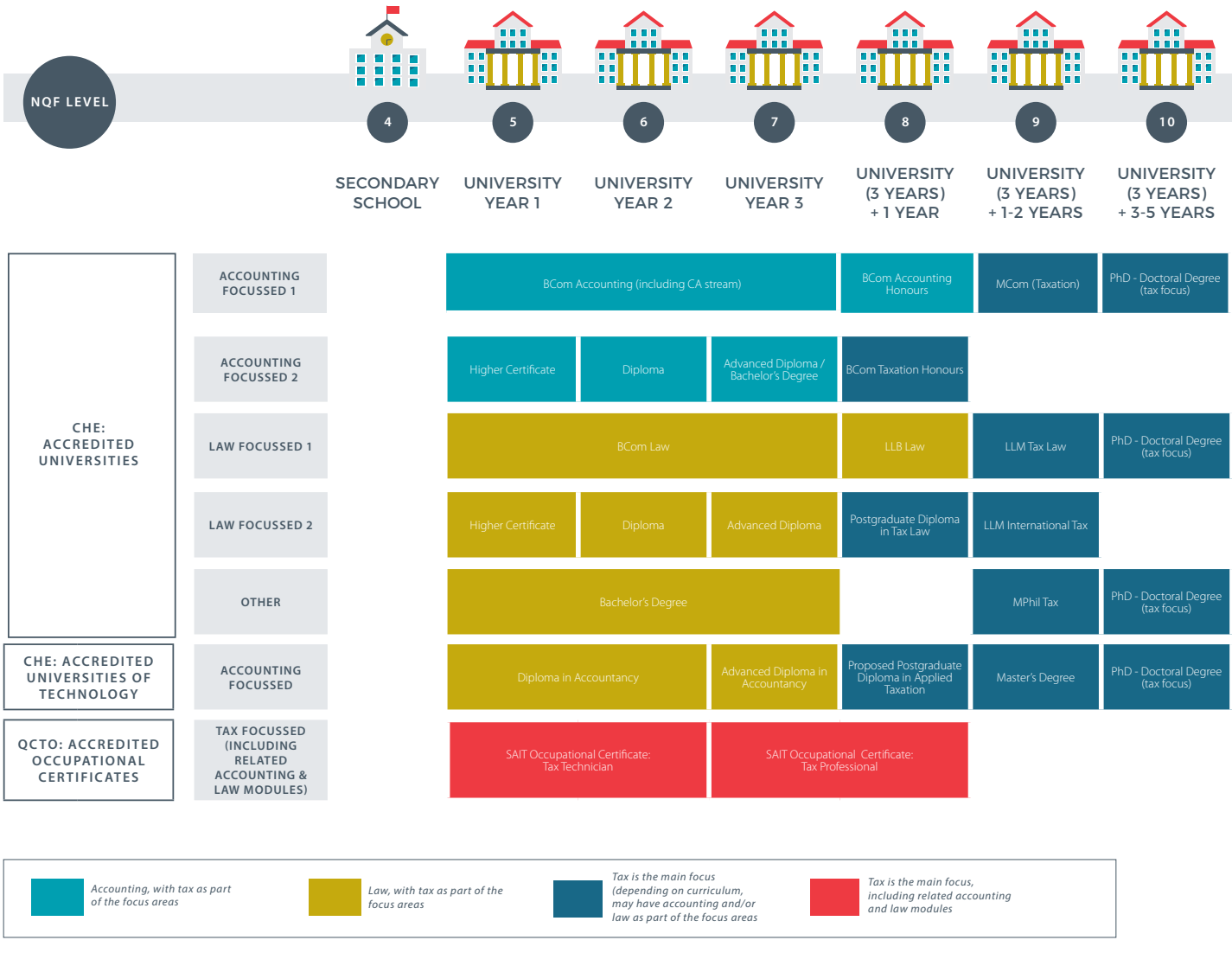
Yes, you work exceptionally hard in and on your business. Yes, you deserve to reap the rewards from your hard labour. There are, however, mostly going to be tax consequences for withdrawing funds out of the business. Bear this in mind when you take funds from the business and discuss this with your tax practitioner beforehand to ensure that the most tax efficient way is found to withdraw these funds. Somewhere in the value chain, the tax will likely be payable. Do not ignore this and do not make it the tax practitioner's problem to sort out after the fact; it can end up costing you dearly in penalties and interest if it is not treated correctly from the beginning.

NOTE THAT THIS SECTION IS HYPERLINKED. SIMPLY CLICK ON A COURSE NAME FOR FURTHER INFORMATION!

BECOMING A TAX PROFESSIONAL

We outline the tax programmes offered by various tertiary institutions – perfect if you are interested in pursuing a career in tax or if you are looking to upskill.

EDUCATIONAL TRACKS IN TAX



THE TAX PROFESSIONAL PROGRAMME AND HOW IT FITS INTO THE TAXATION LANDSCAPE

▶ **WILNA DE BRUYN,** Head of Education, SAIT

The South African Institute of Taxation (SAIT) is the professional body responsible in the South African landscape for the execution of tax programmes. These tax programmes can be referred to as tax articles or tax learnerships. SAIT has two levels of tax articles, one that focuses on training prospective South African Tax Technician members of SAIT and another that focuses on training prospective Tax Adviser members of SAIT; the latter being the more advanced articles and the focus of this article.

The *Fasset sector skills plan 2022/23 update* August 2021 Final Annual Update on the financial and accounting services sector concluded that research undertaken in the financial and accounting services sector concluded that the tax profession is a growing profession. Although it is closely linked with the other professions in the family of financial services professions – the accounting management accounting, and auditing professions – it has a distinct focus on taxation. Research has identified a need for a learning that follows an undergraduate degree which leads into the tax profession.

SAIT started with the tax programmes in 2011 that have since matured significantly. Initially, only a few of the well-known accounting, tax, and auditing firms were on board; now, SAIT has more than fifty committed employers on the programme across South Africa. Some of the well-known accounting, tax and auditing firms are PricewaterhouseCoopers, Klynveld Peat Marwick Goerdeler, Ernst & Young Global Limited, BDO, Moore, Kreston, Nolands Tax and BGC. In 2021, SARS joined as a formal workplace provider of the tax programmes and some corporates such as Hollard, also came on board.

The objective of the tax programmes is to transition a learner with pure academic knowledge through structured work experience to the world of work. The programmes are designed to reflect the daily job of a junior tax consultant at an accounting, auditing and tax firm. SAIT aims to recognise and monitor workplace experience to become part of the professional society.

Understanding the familiar route

Tax practitioners are bound by the Tax Administration Act, No. 28 of 2011, which was promulgated about a year before its implementation on 1 October 2012. According to this Act, 'every natural person who provides advice to another person concerning the tax Act or that completes or assists in completing a document to be submitted to SARS must register with SARS as a tax practitioner'.

In order for an individual to join a professional body such as SAIT and to become a tax practitioner, one needs to have fulfilled specific minimum criteria as prescribed by the professional body. The general minimum criteria are two-fold: firstly, the individual must have a specific minimum qualification and secondly, the individual must have worked in the taxation landscape for a specified period. Only when these criteria have been met, could an individual apply to become a member and to join the professional body. This, in turn, yields a tax practitioner number with SARS.

The route, which is most familiar to the public, is that one would study at a university and complete a Bachelor's in Commerce (BCom) degree. Many would then progress to specialise in a Postgraduate Diploma in Taxation and then start working in the taxation landscape for some time. After five years of workplace experience and after having obtained a BCom degree, an individual could become a General Tax Practitioner member with SAIT.

Understanding the Tax Professional Programme

The Articles Programme is a structured and monitored work-based learning programme that leads to a professional body designation; it may also lead to a National Qualification Framework (NQF) registered qualification. When this programme leads to an NQF qualification, the programme is referred to as a tax learnership. Learnerships were introduced by government to upskill students and to prepare them for the workplace. Learnerships are directly related to an occupation or field of work, which is managed by the Sector Education and Training Authorities (SETAs) and which is governed by the Skills Development Act, No, 97 of 1998 by several subsequent regulations and by the SETA policies and procedures.

With that being said, the tax professional programme can be offered by means of two routes, namely one leading to a professional body designation, which is known as 'tax articles' and the other leading to an NQF qualification, which is known as 'tax learnership'. When an individual already has the required NQF qualification, then such an individual can pursue the tax articles as they would be duplicating their existing tax qualification if the latter were to be followed.

Both routes are for individuals en route to their NQF level 8 (Postgraduate Diploma) or for those who have already obtained their NQF level 8 qualification.

a. The tax articles route

The route to becoming a professional body member of SAIT at Tax Adviser level consists of two components and it is completed over three years. The first component is the knowledge component and the second is the workplace experience component. Both components must be completed successfully for a tax trainee to apply to write the board examination before the designation can be obtained.

The knowledge component is not a repetition of the existing knowledge because as these trainees already have an NQF level 8 qualification. SAIT would simply implement a knowledge assessment to determine the level of tax knowledge.

The workplace experience component is proven through structured workplace experience, which SAIT monitors monthly. The workplace component is assessed by means of a logbook system and it is continuously updated with industry feedback and inputs.

b. The tax learnership route

The route to becoming a professional body member of SAIT at Tax Adviser level and obtaining an NQF level 8 Occupational Certificate concurrently, consists of three components to be completed over three years.

The Occupational Certificate is awarded under the authority of the Quality Council for Trade and Occupations (QCTO) and, as such, this route includes the intervention of a third-party Skills Development Provider (SDP).

The first component is the knowledge component, which is then followed by the practical skills component and lastly, by the workplace experience component. All components must be successfully completed for a tax trainee to apply to write the External Integrated Summative Assessment (EISA), which is known as the board examination, before this designation and qualification can be obtained.

The knowledge and practical skills components are offered by QCTO accredited SDPs and these include training and assessments.

Similar to the tax articles route explained above, the workplace experience component is proven through structured workplace experience, which SAIT monitors monthly. The workplace component is also assessed by means of a logbook system and it is continuously updated with industry feedback and inputs.

The occupational purpose of the Tax Professional Programme

Once an individual becomes a Tax Adviser member of SAIT, they will be awarded a SARS tax practitioner number within three years. This accelerated route to membership is due to the structured nature of the workplace experience. Their occupational purpose (job description) is described as follows: A Tax Adviser can provide tax advice , for example, risk analysis and in-depth ancillary explanations; can manage tax revenue authority queries, audits and assessments; can further aspects of the tax controversy process before judicial involvement and can prepare and review recurring tax returns for businesses of medium and large sizes, as well as for upper-income and wealthy individual clients and their families.

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
Diploma in Accountancy *(NQF 6)*	Business and Economic Science	-	BBT1211 (Individuals) BBT1212 (Prepaid Taxes, Retirement Benefits and Farming)	BBT2211 (Value-Added Tax and Capital Gains Tax) BBT2212 (Companies)	Mandatory
Advanced Diploma in Accountancy: Professional Accounting *(NQF 7)*	Business and Economic Science	RATA401 (Taxation: Non-Residents) RATA402 (Taxation: Administration)	-	-	Mandatory
BCom Accounting *(NQF7)*	Business and Economic Science	-	RTV202 (Taxation 2A)	RTV301 (Taxation 3A) RTV302 (Taxation 3B)	Mandatory
BCom General Accounting *(NQF7)*	Business and Economic Science	-	RTV202 (Taxation 2A)	RGTV301(General Taxation 3A) RGTV302 (General Taxation 3B)	Mandatory

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
Postgraduate Diploma in Accounting *(NQF8)*	Business and Economic Science	-	BCom Accounting with Accounting 3, Taxation 3, Auditing 3 and MAF3 at an average of at least 55% OR Postgraduate Diploma in Accountancy	-	-
Postgraduate Diploma in Accountancy *(NQF8)*	Business and Economic Science	-	BCom Accounting or BCom General Accounting with General Accounting 3, General Taxation 3, General Auditing 3 and General MAF3 at an average of at least 55%	-	-
MCom Taxation *(NQF9)* LLM (Taxation)	Business and Economic Science	2 years	BCom (Hons) (Accounting) degree or equivalent OR LLB degree (which includes an appropriate taxation course) and level of competence which is adequate for the purpose of postgraduate studies in taxation	-	August 2022

UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Financial Accountancy *(NQF7)*	Economic and Management Sciences	-	TAXF211 TAXF221	TAXF371	Mandatory
BCom Accounting *(NQF7)*	Economic and Management Sciences	-	TAXF211 TAXF221	TAXF371	Mandatory
BCom Chartered Accountancy *(NQF7)*	Economic and Management Sciences	-	TAXC271	TAXC371	Mandatory
BCom Management Accountancy *(NQF7)*	Economic and Management Sciences	-	TAXF211 TAXF221	TAXF371	Mandatory
BCom Forensic Accountancy *(NQF7)*	Economic and Management Sciences	-	TAXC271	TAXC371	Mandatory
LLB (Law) *(NQF8)*	Law	-	Tax Law	Tax Law	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS
PGDip Accountancy *(NQF8)*	Economic and Management Sciences	-	BCom /BAcc with Accounting, Taxation, Auditing, Management Accounting and Financial Management on third- year level and an average of at least 57% per module	-
BCom Honours in Financial Accountancy *(NQF8)*	Economic and Management Sciences	Research report in financial accountancy	BCom with Accounting, Taxation, Auditing, Management Accounting and Financial Management on third-year level and Commercial Law (first and second year) An average of 60% for Accounting and Taxation, 55% average for Management Accounting and Financial Management and 50% for other modules	-
MCom Taxation (dissertation) *(NQF9)*	Economic and Management Sciences	Dissertation	BCom Honours degree	Presentation of a research proposal at a research colloquium
MCom Taxation (lectured) *(NQF9)*	Economic and Management Sciences	Dissertation	BCom Honours degree, LLB degree or postgraduate diploma on NQF 8, including a final year Taxation module as one of the core modules, for which a mark of at least 60% has been obtained OR BCom Honours (Chartered Accountancy) or CTA, for which the Taxation module was passed	Presentation of a research proposal at a research colloquium
PhD in Economic and Management Sciences with Taxation (minimum 2 years and maximum 4 years of study) *(NQF10)*	Economic and Management Sciences	Thesis	MCom Taxation or a relevant qualification on NQF9	Presentation of a research proposal at a research colloquium

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	OPTIONAL MODULES
BCom (Accounting) *(NQF7)*	Commerce	**Compulsory:** Ecos 101 and 102, Management 101 and 102 **Choose:** Acc 101 and (102 or 112), Commercial Law 101 and 102 or Psychology 1, Theory of Finance and Statistics 1D or Maths 1C	**Compulsory:** Ecos 201 and 202 Choose a 2nd-year course, Commercial Law 101 and 102 or any course **Compulsory**: Prof Communications	-	Computer Science 112
LLB (Law) *(NQF8)*	Law	-	-	Tax and Estate Planning	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
PGDip Accounting *(NQF8)*	Commerce	-	BCom (Accounting) with Accounting 3, Taxation 3, Auditing 3 and MAF3 and an average of at least 60%	-	1 December annually
PGDip Taxation *(NQF8)*	Commerce	15 000 words (or 50 pages)	BCom with Accounting 3 and Tax 3, with at least 65% for Tax 3	-	1 December annually
MCom Taxation *(NQF9)*	Commerce	Coursework and mini-thesis of 30 000 words (or 100 pages)	Honours degree in Accounting or LLB (which includes an appropriate taxation course) with marks not less than 60%	-	-
PhD *(NQF10)*	Commerce	Full thesis	Master of Commerce with a mark of at least 65%	-	-

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom (Accounting) *(NQF7)*	School of Accountancy: Economic and Management Sciences	-	Taxation 298	Taxation 399	Mandatory
BCom (General) *(NQF7)*	School of Accountancy: Economic and Management Sciences	-	-	Taxation 388	Mandatory

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
MCom Taxation *(NQF9)*	School of Accountancy: Economic and Management Sciences	Lecture or thesis option (Lecture option: 50 – 80 pages; Thesis option: 160 – 200 pages)	BCom (with law subjects) and LLB, including an appropriate Taxation module, for which a mark of at least 60% has been obtained A 60% aggregate for the degrees overall, during all previous studies	Being selected based on answering a tax question in writing combined with the minimum % as stated Practical experience in the field of taxation obtained through completed traineeship (articles) to register as Chartered Management Accountant (CIMA) or as Attorney Registration as Chartered Management Accountant (CIMA) or as Attorney is required for the full thesis option	31 October of every second year (lecture option)
MAcc Taxation *(NQF9)*	School of Accountancy: Economic and Management Sciences	Lecture or thesis option (Lecture option: 50 – 80 pages; Thesis option: 160 – 200 pages)	BAccHons , BAccLLB or Postgraduate Diploma in Accounting (after a recognised BCom degree was obtained) At least 60% for Taxation (70% in the case of academic trainees), as subject area and for the degrees in general, during all previous studies Academic trainees must obtain 70% in the BAccHons degree (with the research component)	Selection based on answering a tax question in writing combined with the minimum % at Hons level Practical experience in the field of taxation obtained through completed traineeship (articles) to register as CA (SA) or Attorney (academic trainees are exempted from this requirement) Registration as CA(SA) is required for the full thesis option	31 October of every second year (lecture option)
PGDip Tax Law *(NQF8)*	Law	Lecture or thesis option (25 000 – 40 000 words)	BAcc or BCom degree LLB degree from this university OR BAcc or BCom degree from this university A graduate from any other university who has been granted the status of LLB, BProc, BCom or BAcc of the university concerned	Admitted to practise as an attorney in any province of South Africa or in Namibia Registered as an accountant with the Public Accountants' and Auditors' Board, or as a Chartered Accountant with SAICA OR Any other academic or professional qualification deemed sufficient for admission	New applications are considered every second year – next intake will be in 2022

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Accounting: CA *(NQF7)*	Commerce	-	Taxation I	Taxation II	Mandatory
BCom Accounting: General *(NQF7)*	Commerce	-	Taxation I	Taxation II	Mandatory
BCom Accounting with Law *(NQF7)*	Commerce	-	Taxation I	-	Mandatory
BBusSci Finance with Accounting *(NQF8)*	Commerce	-	Taxation I	Taxation II	Mandatory
LLB Streams *(NQF7 or NQF8)*	Law	-	-	CML4506F: Tax Law A CML4507S: Tax Law B	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINES FOR APPLICATIONS
BCom (Honours) Taxation *(NQF8)*	Commerce	10 000-word technical report	A BCom, BBusSci or equivalent undergraduate degree containing taxation course(s) in the final year of that degree	Academic and/or professional references for all applicants may be requested A CV and academic transcript are required on application An entrance exam or interview may be required	31 December
PGDip Accounting *(NQF8)*	Commerce	-	Refer to course link for details	Refer to course link for details	31 October
MCom International Taxation *(NQF9)*	Commerce	25 000-word minor dissertation	NQF8 qualification in Taxation OR NQF 8 qualification in Accounting, including taxation courses at that level OR NQF8 qualification in Law, including taxation courses OR Equivalent international qualification	Professional and/or academic references for all applicants may be requested A CV and academic transcript are required on application An entrance exam or interview may be required	31 October
MCom South African Income Taxation *(NQF9)*	Commerce	25 000-word minor dissertation	NQF8 qualification in Taxation OR NQF 8 qualification in Accounting, including taxation courses at that level OR NQF8 qualification in Law, including taxation courses OR Equivalent international qualification	Professional and/or academic references for all applicants may be requested A CV and academic transcript are required on application An entrance exam or interview may be required	31 October
LLM International Taxation *(NQF9)*	Law	25 000-word minor dissertation	Refer to course link for details	Refer to course link for details	30 September
LLM Tax Law *(NQF9)*	Law	25 000-word minor dissertation	Refer to course link for details	Refer to course link for details	30 September
PGDip Tax Law *(NQF8)*	Law	12 500-word research paper	Refer to course link for details	Refer to course link for details	30 September

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BAcc *(NQF7)*	Economic and Management Sciences (EMS)	-	Taxation	Taxation	Mandatory
BCom (Accounting) *(NQF7)*	Economic and Management Sciences (EMS)	-	Basic Taxation	Taxation	Mandatory

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
BAcc (Hons) / PGCA *(NQF8)*	Economic and Management Sciences (EMS)	Refer to the UFS EMS rule book	BAcc degree or equivalent with an average mark of 55% in specified module sets and a combined average mark of at least 58% in all core modules	Accounting-related degree obtained not more than 3 years prior to application for noted degree	Information regarding deadlines for applications can be found on the website
PGDip (CA) – Postgraduate Diploma in Chartered Accountancy *(NQF8)*	Economic and Management Sciences (EMS)	-	BAcc degree or equivalent with at least 55% in specified module sets and an average mark of not less than 58% in all core modules	Accounting-related degree obtained not more than 3 years prior to application for noted degree	Information regarding deadlines for applications can be found on the website
BCom (Accounting) (Hons) *(NQF8)*	Economic and Management Sciences (EMS)	Refer to the UFS EMS rule book	Weighted average of 60% for all third-year UFS BCom (Accounting) subjects for UFS students or the equivalent at another institution OR Successful completion of a SAICA-accredited degree	Accounting-related degree obtained not more than 5 years prior to application for noted degree	Information regarding deadlines for applications can be found on the website
PGDip (GA) – Postgraduate Diploma in General Accountancy *(NQF8)*	Economic and Management Sciences (EMS)	-	Weighted average of 60% for all third-year UFS BCom (Accounting) subjects for UFS students or the equivalent at another institution OR Successful completion of a SAICA-accredited degree	Accounting-related degree obtained not more than 5 years prior to application for noted degree	Information regarding deadlines for applications can be found on the website
MCom Degree with Specialisation in Taxation *(NQF9)*	Economic and Management Sciences (EMS)	Refer to the UFS EMS rule book	Admission subject to approval by the programme director after successful completion of a relevant honours degree with a minimum of 60% or an equivalent qualification at NQF8	Prior submission of a draft research proposal and submission of a full study record (transcript)	Information regarding deadlines for applications can be found on the website
MAcc Degree with Specialisation in Taxation *(NQF9)*	Economic and Management Sciences (EMS)	-	Admission subject to approval by the programme director after successful completion of a relevant Bachelor of Accounting Honours degree with a minimum of 60% or an equivalent qualification at NQF8	Prior submission of a draft research proposal and submission of a full study record (transcript)	Information regarding deadlines for applications can be found on the website
PhD Degree with Specialisation in Taxation *(NQF10)*	Economic and Management Sciences (EMS)	Refer to the UFS EMS rule book	Admission subject to approval by the programme director after successful completion of a relevant master's degree with a minimum of 60%	Prior submission of a draft research proposal and submission of a full study record (transcript)	Information regarding deadlines for applications can be found on the website

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UNDERGRADUATE TAX PROGRAMMES

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BCom (Accounting) *(NQF7)*	Management and Commerce	-	Taxation 2A	Taxation 3	Mandatory
BCom (General Accounting) *(NQF7)*	Management and Commerce	-	Taxation 2A	Taxation3	Mandatory

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
BCom Honours *(NQF8)*	Management and Commerce	15 000 words (or 50 pages)	BCom with Taxation 3	60% for Taxation 3	Applications for 2022: 30 September 2021

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom (Acc) *(NQF7)*	School of Accounting Economics and Finance	-	-	Taxation 3	Mandatory
BCom (General) *(NQF7)*	School of Management Information Systems and Governance	-	-	Taxation 3	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
LLM (Taxation) *(NQF9)*	School of Law	20 000-word dissertation	LLB OR BProc with a minimum overall average of 60%	-	30 October
Postgraduate Diploma in Accounting *(NQF8)*	School of Accounting Economics and Finance	No research requirement	SAICA-accredited BCom undergraduate degree	Students must pass all four modules in one sitting or over two years	Refer to course details on website for details
Master of Accountancy in Taxation (MAC-TX) *(NQF9)*	School of Accounting Economics and Finance	20 000-word dissertation	Bachelor Honours degree in Accounting OR Postgraduate Diploma in Accounting OR Bachelor of Laws	-	30 November

UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
Bachelors of Accounting (CA-stream) *(NQF7)*	College of Business and Economics	-	TAX 200	TAX300	Mandatory
BCom Accounting *(NQF7)*	College of Business and Economics	-	TAX02A2	TAX03A3 / TAX03B3	Mandatory
LLB Law *(NQF8)*	Faculty of Law	-	-	-	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
BCom (Honours) Taxation *(NQF8)*	College of Business and Economics	Refer to course link for details	BCom or an advanced diploma Should have appropriate knowledge of accounting, taxation, and governance and control on new NQF7	An average mark of 60% in undergraduate studies, including a minimum mark of 60% in taxation in the final year of studies (The department may require the completion of a bridging programme, should students not comply with the rules of access)	Refer to website for details
MCom South African and International Taxation *(NQF9)*	College of Business and Economics	Minor dissertation (90 credits)	Honours or a postgraduate diploma in accounting or tax-related honours on NQF Level 8 OR Any other four-year qualification with honours status on NQF Level 8 and related taxation experience	Work experience in the tax field and outline of possible research idea is considered in the selection of candidates	Refer to website for details
MCom South African and International Taxation *(NQF9)*	College of Business and Economics	Full scope dissertation (180 credits)	Honours or a postgraduate diploma in accounting or tax-related honours on NQF Level 8 OR Any other four-year qualification with honours status on NQF Level 8 and related taxation experience	Work experience in the tax field and outline of possible research idea is considered in the selection of candidates	Refer to website for details
PGDip International Tax Law *(NQF10)*	Law	-	MCom (Taxation) or LLB or LLM (Tax Law) or HDip (Tax Law) or any Bachelor's degree plus extensive corporate taxation experience	Only a limited number of students will be admitted and no correspondence will be entered into with unsuccessful applicants	Refer to website for details
PGDip Tax Law *(NQF10)*	Faculty of Law	Full scope dissertation	LLB or BProc or BCom or CA	Thesis: Taxation TTA10X1 & TTA10X2	Refer to website for details

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 MODULES	YEAR 3 MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Accounting *(NQF7)*	Economic and Management Sciences	-	Taxation 200 (BEL200)	Taxation 300 (BEL300)	Mandatory
BCom Law *(NQF7)*	Economic and Management Sciences	-	Taxation 200 (BEL200)	Taxation 300 (BEL300)	Elective
BCom Financial Sciences *(NQF7)*	Economic and Management Sciences	-	Taxation 200 (BEL200)	Taxation 300 (BEL300)	Mandatory
BCom Informatics *(NQF7)*	Economic and Management Sciences	-	Taxation 200 (BEL200)	Taxation 300 (BEL300)	Elective
LLB Law *(NQF8)*	Law	-	-	Tax Law 310 (BLR310) Tax Practice 420 (BLP420) – 4th year module	Mandatory Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
Postgraduate Diploma (PGD) in Accounting Sciences & Certificate in the Theory of Accounting (CTA) *(NQF8)*	Economic and Management Sciences	-	BCom Accounting OR Relevant SAICA accredited degree	Weighted average of 57% for Auditing, Financial Accounting, Financial Management and Taxation at final-year level At least 53% for each of Auditing, Financial Accounting, Financial Management and Taxation at final-year level	All students: 31 October
BCom (Honours) Taxation *(NQF8)*	Economic and Management Sciences	Research methodology and technical report	BCom including third year taxation and financial accounting modules	At least 60% for taxation module	SA students: 31 October International students: 31 August
MCom Taxation (course-work) *(NQF9)*	Economic and Management Sciences	Mini-dissertation	Relevant honours degree/postgraduate qualification Relevant tax modules at postgraduate level	At least 60% for the BCom Hons degree or postgraduate qualification Relevant work experience in a tax environment	SA students: 31 October International students: 31 August
MCom Taxation (full dissertation) *(NQF9)*	Economic and Management Sciences	Dissertation	Relevant honours degree/postgraduate qualification Relevant tax modules at postgraduate level	At least 60% for the BCom Hons degree or postgraduate qualification Relevant work experience in a tax environment	SA students: 31 October International students: 31 August
MPhil International Taxation (course-work) *(NQF 9)*	Economic and Management Sciences	Mini-dissertation	Relevanthonours degree/postgraduate qualification Relevant tax modules at postgraduate level	At least 60% for the BCom Hons degree or postgraduate qualification Relevant work experience in a tax environment Proficiency in English (written and spoken)	SA students: 31 October International students: 31 August

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
PhD Taxation *(NQF10)*	Economic and Management Sciences	Thesis	Relevant master's degree	At least 65% for the master's degree	SA students: 31 October International students: 31 August
MPhil Taxation (course-work) *(NQF9)*	Economic and Management Sciences	Mini-dissertation	A four-year bachelor's or honours degree in Accounting, Economics, Law, Public Administration, or a closely related degree	Relevant work experience Successful completion of the ATI's selection process (including entrance exam) Personal resume to be submitted with application form	SA students: 31 October International students: 31 August
PhD Tax Policy *(NQF10)*	Economic and Management Sciences	Thesis	MPhil Taxation (from UP) or Master's in Economics or Law	Personal resume and draft research proposal (2 000 to 3 000 words) to be submitted with application (registration and admission dependent on proof of passing the TOEFL or another acceptable English language proficiency test) At least 65% for the master's degree Relevant work experience	SA students: 31 October International students: 31 August
LLM Tax Law (course-work) *(NQF9)*	Law	Mini-dissertation	LLB degree or equivalent Successful completion of a module in taxation as part of the undergraduate degree or show experience in tax environment	Average of 65% for LLB or similar degree	30 November
LLM Law (Research) *(NQF9)*	Law	Dissertation	LLB degree or equivalent Successful completion of a module in taxation as part of the undergraduate degree or show experience in tax environment	Average of 65% for LLB or similar degree	31 January of the enrolment term
LLD Law *(NQF10)*	Law	Thesis	Refer to website for details	-	31 January of the enrolment term
PhD Law *(NQF10)*	Law	Thesis	Refer to website for details	-	31 January of the enrolment term
MPhil Law *(NQF9)*	Law	Dissertation	Refer to website for details	-	31 January of the enrolment term

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	YEAR 4 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Accounting (Taxation) *(NQF7)*	Accounting Sciences	-	Principles of Taxation Tax Administration	TAX3701 Taxation of Business Activities TAX3702 Taxation of Individuals TAX3703 Taxation of Estates TAX3704 Tax Administration; TAX3705 Tax Opinion Writing TAX3761 Taxation of Business Activities and Individuals (new year module replacing TAX3701 and TAX3702 from 2020)	-	Mandatory
LLB *(NQF8)*	Law	-	-	-	LML4804 Tax Law	Elective

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
PGDip Taxation *(NQF8)*	Accounting Sciences	-	TAX4861 - Advanced Taxation; TAX4863 Advanced Tax Case Law; TAX4864 Advanced Tax Capita Selecta OR Appropriate NQF7 level in the field of Accounting Sciences from an accredited provider of higher education	Refer to website for details	Semester modules & the CTA: 3 January - 3 February 2021 Year modules: 3 January - 29 March 2021
MCom Acc (Taxation) *(NQF9)*	Accounting Sciences	Dissertation of limited scope (10 000–15 000 words)	Appropriate honours bachelor degree OR Appropriate postgraduate diploma OR Appropriate 480-credit bachelor degree with a minimum of 96 credits at NQF 8 (All in the field of Accounting Sciences)	Refer to website for details	3 January – 29 March 2021
MPhil Acc (Taxation) *(NQF9)*	Accounting Sciences	Full dissertation (25 000 – 45 000 words)	Appropriate honours bachelor degree OR Appropriate postgraduate diploma OR Appropriate 480-credit bachelor degree with a minimum of 96 credits at NQF8 (All in the field of Accounting Sciences)	TFTAX02 - Thesis: Taxation and DPCAS02 - Doctoral Proposal in Accounting Sciences	3 January – 29 March 2021
PhD Acc (Taxation) *(NQF10)*	Accounting Sciences	Full dissertation (40 000 – 100 000 words)	A master's degree in the field of Accounting Sciences	Transcript of academic record, as well as a document describing the intended research and preferred focus area	3 January – 29 March 2021

LLM (Tax Law) Coursework *(NQF9)*	Law	Dissertation of limited scope (10 000 – 15 000 words)	A South African LLB degree OR A foreign LLB degree (minimum 4 years) OR A BProc OR A Postgraduate Diploma in Law on NQF8 OR A foreign LLB degree (minimum 3 years) and 4 LLB modules selected from the NQF8 modules in the LLB degree, of which one must be the compulsory research module OR A foreign LLM	Transcript or an academic record	3 January – 29 March 2021

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Accounting *(NQF7)*	EMS Faculty	-	TAX228 (1st semester) TAX212 (2nd semester)	TAX327	Mandatory
BCom Financial Accounting *(NQF7)*	EMS Faculty	-	TAX242 (2nd semester)	TAX343	Mandatory

POSTGRADUATE TAX PROGRAMME

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
Postgraduate Diploma in Accounting (PGDA) *(NQF8)*	EMS Faculty	No	BCom Accounting	Average of 57.5% and 55% for each of the 4 disciplines	November

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UNDERGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	YEAR 1 TAX MODULES	YEAR 2 TAX MODULES	YEAR 3 TAX MODULES	MANDATORY OR ELECTIVE MODULES?
BCom Accounting (NQF7)	Commerce, Law and Management	-	Taxation II	Taxation III	Year 2: Mandatory Year 3: Elective
BAccSci – Accounting Science (NQF7)	Commerce, Law and Management	-	Taxation II	Taxation III	Year 2 and 3: Mandatory
LLB (Law) *(NQF7)*	Commerce, Law and Management	-	Depends on 4-year, 3-year or 2-year stream chosen	Depends on 4-year, 3-year or 2-year stream chosen	Depends on 4-year, 3-year or 2-year stream chosen

POSTGRADUATE TAX PROGRAMMES

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
BAccSci (Honours) – Honours in Accounting Science *(NQF8)*	Commerce, Law and Management	Mini research report required	BAccSci (from Wits) and having passed all 4 main subjects in the prior year	Minimum of 60% for each subject with an overall average of 65% Additional entry requirements may apply	Refer to website for details
PGDip Accountancy (SAICA Chartered Accountant route) *(NQF8)*	Commerce, Law and Management	-	BAccSci (from Wits) and having passed all 4 main subjects in the prior year	Additional entry requirements may apply	Refer to website for details
PGDip Specialised Accountancy (Association of Chartered Certified Accountants route) – Taxation elective *(NQF8)*	Commerce, Law and Management	-	BCom General (Major in Accounting) OR BAccSci OR Any other undergraduate degree if the candidate has displayed relevant skills and competencies	Passing examinations by recognised IFAC accountancy bodies	Refer to website for details
PGDip Taxation *(NQF8)*	Commerce, Law and Management	-	BAccSci (from Wits)	Additional entry requirements may apply	Refer to website for details
PGDip Law *(NQF8)*	Commerce, Law and Management	-	Bachelor of Laws with an average of at least 65%	Additional entry requirements may apply	Refer to website for details
MCom Taxation *(NQF9)*	Commerce, Law and Management	Completion of a 50% research report	A bachelor degree with honours or an appropriate postgraduate diploma	South African qualified chartered accountants or lawyers who have had at least 2 years of experience beyond the accountancy or law school and who have committed themselves to a career in taxation Additional entry requirements may apply	Refer to website for details

QUALIFICATION NAME	FACULTY	RESEARCH PAPER REQUIREMENT	EDUCATIONAL ADMISSION REQUIREMENTS	OTHER ADMISSION REQUIREMENTS	DEADLINE FOR APPLICATIONS
LLM General *(NQF9)*	Commerce, Law and Management	Completion of a 10 000-word research report	Bachelor of Laws with an average of at least 70%	South African qualified chartered accountants or lawyers who have had at least 2 years of experience beyond the accountancy or law school and who have committed themselves to a career in taxation Academic writing submissions may be required Additional entry requirements may apply	Refer to website for details
LLM Tax Law *(NQF9)*	Commerce, Law and Management	Completion of a 10 000-word research report	Bachelor of Laws with an average of at least 70%	South African qualified chartered accountants or lawyers who have had at least 2 years of experience beyond the accountancy or law school and who have committed themselves to a career in taxation Academic writing submissions may be required Additional entry requirements may apply	Refer to website for details

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