

17 September 2024

The South African Revenue Service

Lehae La SARS
299 Bronkhorst Street
0181

Via email: SARS (policycomments@sars.gov.za)

RE: Commentary on the Draft Guide pertaining to the Mineral and Petroleum Resources Royalty Act

Dear Colleagues,

We attach brief comments from the SAIT Tax Technical team together with select members of the SAIT mining Industry technical workgroup regarding the above referred draft guide.

One perspective that was placed forward relates to the fact that in respects to mining gold, a refined mineral, the royalty calculations are relatively straightforward and involve fewer complexities than those associated with unrefined minerals.

Notwithstanding this, on a high-level basis, we believe that in its current form the draft guide lacks the necessary detail to provide streamlined guidance to taxpayers affected within this area of taxation.

Furthermore, we would like to highlight the need for further elaboration on the treatment of pre-2004 dumps, which do not attract royalties, particularly when mixed with materials that are subject to royalties. Providing examples and a clearer framework for cost allocation in the EBIT calculation would be beneficial.

We value the opportunity to participate in the legislative process and would welcome further engagement where appropriate.

Please do not hesitate to contact us should you need further information.

SAIT Tax Technical and select members of the Mining Industry technical Work Group

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