



# Tax Smart

## Client Newsletter

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## New Revamped Website

We are proud to announce a new release of the Taxsmart website. The website uses a newer technology to keep up with latest internet trends. This new technology positions us to enable a range of useful features going forward. The website allows our editor to update the content without having to involve the web development team for every change.

Our parent company, Accumulo Consulting (Pty) Ltd has access to a wide

range of technical skills and has put their knowledge to bear and come up with a new design based on this new engine. Thanks to them for the excellent work on the new website.

Please take a look at our new website and send us comments on what you think.

As a reminder visit our new revamped website at [www.taxsmart.co.za](http://www.taxsmart.co.za).

## Smart Bridge

Much has been written and published by the South African Revenue Services on its e-filing service in particular in respect of its ease of use and its speed. Taking nothing away from these statements it must be remembered that it is basis of you, the taxpayer, capturing your information into a self assessment system freeing SARS from that labour intensive operation and allowing it to spend more time on auditing and checking the submitted information. The system will not guide you into claims to which you may be entitled. So you would get out what you put into the system. This is where we come into the picture.

We become the bridge between you and SARS, the Smart Bridge we like to call it. By appointing us as your agent you get the following:

- Smart advice
- Smart service
- Smart information
- Smart consultants

A complete service packaged as Smart Bridge.

## 2010 Filing Season

A number of important dates were announced by the South African Revenue Services covering the 2010 filing season (i.e. for the completion and submission of income tax returns for individual taxpayers).

- 1 July 2010 – the season opens
- 30 September 2010 – closing date for submission of manually completed returns for both provisional and non-provisional taxpayers
- 26 November 2010 – closing date for

submission of e-filing returns for non-provisional taxpayers

- 31 January 2011 – closing date for submission of e-filing returns for provisional taxpayers

Adherence to these dates is the taxpayers responsibility – we kindly request that you submit your documentation to us as soon as possible to allow us to meet the respective deadline on your behalf.



## A Second Exchange Control Amnesty

For those clients who have contravened exchange control regulations a second amnesty has been proposed to take effect on 1 November 2010. South African residents over the age of 18 years are permitted to take no more than R4 million out of South Africa, after having obtained income tax clearance. Where this has not been formalized or where the amount was exceeded the applicant must render an amnesty application within 12 months from the effective date.

Once the declaration has been accepted a levy will be payable on the amount of the contravention. Should this levy be payable from your offshore assets then it

will be set at 10% of the amount and must be brought back to South Africa. If you are unable to pay from offshore the levy will be set at 12% of the amount. This levy is set at a higher rate than that imposed in terms of the 2003 amnesty but is substantially lower than the penalties imposed by the exchange control regulations.

A new feature of this amnesty is that it also applies to corporate entities. We suggest that those clients with corporate or complex structures set up an appointment with one of our senior consultants.

## Provisional Tax

Individuals earning income not subject to SITE and PAYE must pay provisional tax on a six-monthly basis. Such payments are designed to assist taxpayers to meet their tax liabilities on an on-going basis instead of a large amount once a year on assessment.

Examples of provisional taxpayers are any individual who:

- Earns business or farming income.
- Earns rental income dividends or interest.
- Sells any asset and makes a capital gain (i.e. a profit)
- Derives more than one source of income even though it is subject to SITE and PAYE or not.

First provisional tax payment is due 6 months after the commencement of the

year of assessment i.e. 31 August. Second provisional tax payment is due on the last day of the year of assessment ie 28 February. A third voluntary payment can be made 7 months after the end of the year of assessment ie 30 September.

Please note that SARS have changed some rules with regard to provisional tax return submissions. We have to get "estimates" as accurate as possible to avoid harsh penalties from being levied.

Your responsibility would be to keep an accurate account on all income earned on a month to month basis. Record keeping is the key to getting these returns submitted accurately and on time.

We would appreciate if you could send us your income details by the end of June and January for both submissions. It is of utmost importance that we file your returns and payment reaches SARS by the due dates.

## Community of Property

SARS has introduced new requirements for those taxpayers who are married in community of property. Your spouse's initials and identity number needs to be included on your return and yours on your spouse's return if he/she is also a registered taxpayer.

Gross investment income of you and your spouse needs to be included on your return, and your spouse's if applicable, in order that SARS may do the correct apportionment. This also applies to rental income generated from investment properties and capital gain transaction.



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We're on the Web!

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