

## CRS TIMES

### 1. DOUBLE TAXATION FOR EXPATS WORKING IN SA

Expatriates taking a lengthy vacation while on assignment in South Africa, could find themselves falling into the South African tax net. They could be at risk of paying double tax unless they fully comply with the local SA Tax Laws. According to the tax laws, an expatriate who remains in South Africa for more than 183 days in a row could be exposed to a tax liability. From a tax perspective, vacation days in South Africa could affect expatriates who are from double taxation treaty countries. Companies should always ensure that expatriate vacation entitlements are adequately addressed in expatriate Employment Contracts and that all expatriates and line managers are made fully aware of the potential immigration and tax risks involved.

### 2. CHANGES TO PROVISIONAL TAX PAYMENTS

Just a reminder that early in 2008, Parliament approved an important change to the second provisional tax payments process and the imposition of additional tax on underestimates relating to these payments. Until now, additional tax has been imposed if the estimate for the second period is not equal to at least :

- 90% of the taxable income for the year : or
- The basic amount ( essentially the taxable income for the last year assessed )

The Revenue Laws Second Amendment Bill (2008), approved by Parliament, provides that additional tax will be imposed if the estimate is not equal to at least 80% of the final taxable income for the year. In other words, the first alternative above has been relaxed and the second has been done away with.

An existing provision that SARS may waive the additional tax if the estimate is seriously calculated and is not deliberately or negligently understated has been retained.

### 3. SOUTH AFRICAN REVENUE SERVICES

Just a reminder that SARS published on their website at the end of 2008, a number of documents for public comment :

- Submission and reconciliation of tax certificates for February 2009
- Submission and reconciliation of tax certificates for August 2009 and February 2010
- Basic Specifications for XML submissions direct to SARS E-Filing.

It can be concluded that in respect of 2010 submissions and reconciliations, that the following will apply :

- Payroll systems must be changed to provide for the new fields as decided in January 2009 – in particular the new address fields.
- Employers will be required to get their Employee data base information correct as per final specifications ( ie: ID numbers, birthdates, income tax reference numbers, address fields, SDL and UIF to accumulate from March 2009 etc ).
- These fields will be mandatory (where legally required ) for February 2010.
- The XML specification will also be finalised as soon as possible in 2009.

### 4. INTERNATIONAL SUBSISTENCE EXPENSES

Just a reminder that SARS published a discussion paper on their web site at the end of last year, proposing the implementation of a deemed limit per country for international subsistence allowances which would replace the current limit of USD\$215.00

Proposed implementation date of the new limits was 1<sup>st</sup> March 2009. Confirmation to this effect is still awaited.

