

It's that slightly mundane yet also manic time of year where everyone has their head down, doing their best to get through tax season unscathed. This year, there has been a lot of legislation promulgated but it now needs to be backdated which adds to the pressure. In short, the tax reconciliation process and associated steps are always lengthy but rather than burning the midnight oil yourself or running the risk of missing vital steps or excluding critical information and thereby inviting audits, fines and generally awkward conversations with Sars, rather use CRS's expertise and knowledge as a means to mitigate risk and ensure protection for your organisation. When it comes to good governance in SA, my best advice is to do it right and to do it well. A tax partner like CRS pays for itself in no time at all and we're that one insurance policy that you know you'll be thankful for each year. To double check all the nitty gritty details and submission dates, please log a support request and a CRS consultant will advise accordingly. For specific details for your Employer Reconciliation Declaration (EMP501) click [here](#) to view details on our website.



Coming up this month, we will be at this year's industry event, The Future of HR from 19 - 20 July at Johannesburg's Birchwood Hotel. Pop in and see us if you can. We'd love to introduce you to some of the new faces and run through the full CRS product offering that has undergone considerable refinements and upgrades in the 18 months. For more event details, click [here](#).

Earlier this year we spoke about our internship programme and I am pleased to say that we are about to welcome a new group of interns to CRS. Remember, this programme also benefits our clients. If you have any recruitment plans for the third or fourth quarter of this year, please let us know and we will of course advise if anyone in the programme may be a good fit. We'll keep you posted on the new group once they're settled in!

Please read on for a profile on Susan Kruger who is a integral part of iConnect, the new customer support process we unpacked in the last newsletter. While Susan has been with us for many years, this is a new role for her and I am excited to see her work her magic in this department and help our clients really maximise their investment.

Lastly, a reminder that ransomware and malware are real and still taking global organisations down faster than the CIO can say, "Wanna what?" Do not take this lightly, implement daily actions to protect your IT architecture, don't be reckless and open dodgy attachments from people you don't know, and please read the Gartner updates below. Importantly, make sure all employees understand the risk that comes with every internet connection, and don't forget about mobile devices as potential gateways.

*Have a great month  
Ian McAlister*

### Tax and Legislation News

#### Angola

##### Increase of Minimum Wages

On 7 June 2017, Presidential Decree No. 91/17 was published, approving the review of the national minimum wage, setting the national minimum wage and the minimum wage to be paid in each of the main economic sectors, as follows:

- Trade and extractive economic sectors: Kz 24 754.95;
- Transport, services and manufacturing sectors: Kz 20 629.13;
- Agriculture sector: Kz 16 503.30.

The national minimum wage was set at Kz 16 503.30

The above-mentioned decree is effective 07 June 2017.



#### Egypt

##### Income Tax Rates

Egypt's parliament has voted to raise the minimum income tax threshold and gave tax breaks to the first three brackets, effective 01 July 2017.

The updated annual tax brackets will be as follows:

Brackets	Payroll Taxable Income	Rate
First Bracket	Up to EGP 7,200	Exempt
Second Bracket	More than EGP 7,200 up to EGP 30,000	10%
Third Bracket	More than EGP 30,000 up to EGP 45,000	15%
Fourth Bracket	More than EGP 45,000 up to EGP 200,000	20%
Fifth Bracket	More than EGP 200,000	22.5%

In addition, the following measures will apply:

Those in the income tax bracket making between 7,200 - 30,000 pounds a year and who would normally pay a 10 percent income tax will get an 80 percent tax break, meaning they pay 20 percent of taxes they would normally pay.

The 30,000 - 45,000 pound bracket, which is taxed at 15 percent, will get a 40 percent tax break, meaning they pay 60 percent of the taxes they would normally pay.

The 45,000 - 200,000 pound a year bracket, taxed at 20 percent, will get a 5 percent tax break, meaning they pay 95 percent of the taxes they would normally pay.

Egyptians making more than 200,000 pounds a year who get taxed at 22.5 percent will pay their full income tax.

#### Malawi

##### 2017/18 Budget speech

On 19 May 2017, the Minister of Finance, Economic Planning and Development, Goodall Gondwe, presented the Budget for 2017/18 to the parliament.

##### Key highlights of the budget speech:

The projected deficit is 3.9 % of GDP.

The implementation of fiscal and monetary policies has led to reduction of budgetary deficit (including grants) from 6.1 percent of GDP in 2013/14 to a projected 3.9 percent of GDP.

Government is imposing a single formula for interest on overdue tax for all tax types to reduce tax administration costs.

A single formula for penalties on late submission of returns for all tax types was also imposed.

Personal Income Tax measures:

- The tax-free income bracket has been increased from K20,000 per month to K30,000 per month;
- An Additional PAYE Bracket of 35 percent for Salaried Income of above MK3,000,000.00 per month is introduced.

The minimum wage has been increased from K19,000 to K25,000 per month. This means that all those who earn a minimum wage will be below the threshold.

#### Mozambique

##### Increase of minimum wages

The Minister of Labour, Employment and Social Security, Minister Vitoria Diogo, approved the Ministerial Decrees numbers 31/2017, 32/2017, 33/2017, 34/2017, 35/2017, 36/2017, 37/2017 and 38/2017, which established the new minimum wages. The new statutory minimum wages increased from 5.5 to 21 percent.

The new minimum wages are as follows, effective 01 April 2017 and should be backdated accordingly:

Economic Sector	Minimum Salary in MZN		Percentage of Increase
	2016	2017	
Agricultural, Hunting & Forestry	3 298	3 642	10.40%
Industrial and Semi-Industrial Fishing	3 375	3 780	12.00%
Mining	6 213	6 963	12.70%
Quarries	4 907	5 200	6.00%
Salt pans	4 476	4 734	5.73%
Manufacturing Industry	5 200	5 695	14.71%
Bakeries	3 985	4 335	8.78%
Electricity, Gas and Water (large companies)	6 037	7 286	20.70%
Electricity, Gas and Water (small companies)	5 422	6 002	10.70%
Building Industry	4 887	5 436	11.25%
Non-Financial Services	5 050	5 525	9.40%
Hotel Industry	5 050	5 328	5.50%
Financial Services	8 750	10 400	18.87%
Microfinances	8 400	9 240	10.00%
Public Administration, Defence and Security	3 278	3 996	21.00%

Wages / Salaries for other professional categories will be subject to collective bargaining negotiating between employers and trade union organizations.

Employers must adhere to the new levels for foreign workers whose work permit applications are pending as of 01 April 2017.

#### Tanzania

##### 2017/2018 Budget Speech

The Minister of Finance and Planning, Hon. Dr Philip I. Mpango, presented the 2017/18 Budget Speech to Parliament on 8 June 2017.

##### Key Highlights of the Budget Speech:

No changes to taxation of Individual Income or Employment Income.

The Tax Tables remain the same.

Tanzanian Shilling remains stable in terms of the Exchange Rate and currently ranges between Tshs2,230/ US\$ and Tshs2,260/ US\$ in the 2017.

The Bank of Tanzania proposes to move to a fully-fledged interest rate based framework during 2017.

Savings Deposit Interest Rate increased to 3.17% as at March 2017 and overall lending rate increased to 17.36% as at March 2017.

### Meet Susan Kruger, CRS Solution Owner

iConnect, our streamlined client services and support process, is headed up by Kabelo Ngwane and supported by longstanding CRS employee Susan Kruger.

Susan joined CRS in 1997 as the Helpdesk Administrator. She trained on the CRS Application and Payroll Administration, and then stepped into the Outsourced Payroll Department. She then applied for a position as Enterprise Consultant, responsible for Client Support, setup and maintenance of Payroll Systems, project management and training.

"With so many years' experience at CRS under my belt and already knowing the culture and many of the clients, I've been able to hit the ground running in my new role as CRS Solution Owner and I am loving the fresh challenges."

Over the years, Susan has become known for her strong grasp of product knowledge, being able to establish great client relationships, her management and communication skills, and her ability to think analytically.

"As a Solution Owner and assisting Kabelo, I am now jointly responsible for the ROI of the product development effort. Breaking it down, a lot of it relates to how change requests are selected, approved, prioritised and tested within the bounds of the client's SLA."

"How do I intend to make a difference? I believe I can help clients maximise their systems and ensure their product is more effectively used so as to avoid/reduce a constant flow of change requests. There is also scope for me to standardise documentation (ensure proper and comprehensive system documentation is in place), as well as to standardise training material and get more involved in identifying training needs. Training interventions are also really important to get right. I can also see opportunities to assist with the setup, implementation and documentation of a Standard HR & Payroll System."

When asked if she has any motivational advice or principles she lives by, Susan says, "I believe one has to be passionate about what one is doing in life. After my family, I am most passionate about the CRS Product, its staff and its clients. Do what you do well. Ask if you are unsure. Be thankful for what you have. Don't take anything for granted. Be proud of what you've done and what you do – I am."



### Don't let the tax return be a burden

#### CRS legislation consultant Sandra Maritz chats to ITWeb about tax season

It is tax season and CRS Technologies, an HR & HCM services and solutions provider, has this advice: be proactive and avoid missing deadlines, check the accuracy of IRP5 forms prior to submission, do not provide false information and be aware of scams!

Despite all the information available and the fact that this is an annual mandatory practice, people still get the process confused and end up being frustrated.

CRS Technologies emphasises a number of points that need to be considered, that will help people – including, and perhaps most importantly, the time frame for personal tax submissions.

The tax return time frame begins on 1 July 2017 until 24 November 2017 at a SARS branch (provisional and non-provisional) or e-filing (non-provisional) and 31 January 2018 (provisional taxpayers via e-filing).

[Read the full article](#)



### Petya, WannaCry and Ransomware myths — Gartner updates

Nearly two months after the WannaCry ransomware attack on hundreds of thousands of computers around the world, a similar attack called Petya has surfaced. The attack targeted government, domestic banks and power companies in Ukraine, and other large companies across the globe. Similarly to the WannaCry attack, Petya victims found their files encrypted and a demand of \$300 in bitcoin for their release.

It is believed that this attack utilized the "ETERNALBLUE" exploit via a vulnerability in Microsoft Windows. The company released a patch for the vulnerability in March. With attacks like WannaCry and Petya, enterprises need to be proactive and educated on the threats.

Click [here](#) to read the article.



### 7 Ransomware Myths. Understand fact versus fiction in modern day ransomware attacks

What's the difference between ransomware and the typical malware? Mostly, the effects. In a ransomware attack, the data is encrypted and the decryption key is not given until a ransom is paid. Malware tries to damage or disable computers and systems. The good news is the two attacks operate in fundamentally the same way, which means ransomware can be defended against in the same way. Unfortunately, ransomware has become an issue for many companies around the world.

### More clarity on reporting requirements for multinationals

#### Who is required to file, how it should be filed and what is necessary to disclose.

Several South African-based multinational companies have less than six months to prepare their country-by-country reports for exchange with other tax jurisdictions. Many have realised the magnitude of the information expected and have been setting up sophisticated systems to gather and compile the information.

The country-by-country reports, master file and local file submission requirements form part of the work done by the Organisation for Economic Cooperation and Development (OECD) to fight base erosion and profit shifting where profits are moved from high tax jurisdictions to low tax jurisdictions.

Click [here](#) to read the article.



### Sick leave abuse rendering SA businesses unwell

Despite legislation that clearly defines the management of sick leave for full-time employees, the issue of effective sick leave management and tackling abuse remains a challenge for most companies.

The situation becomes particularly troublesome at this time of the year and it has been reported that as much as 40% of workers in South Africa plan on taking 'time off' under the guise of sick leave, which is tantamount to abuse of the system.

The issue demands greater awareness and more discipline according to HR and HCM services and solutions provider CRS Technologies. A dictionary definition of sick leave is "an absence from work permitted because of illness and the number of days per year for which an employer agrees to pay employees who are sick".

Click [here](#) to read the article.



### Training

We continue to offer a selection of training on the CRS modules. Please click [here](#) for the dates and venues.

Don't forget that we can also tailor legislative training to specific organisational needs. To find out more, chat to Susan Abrahams in our Gauteng office or mail her on [susana@crs.co.za](mailto:susana@crs.co.za).

