

TAX PROFESSIONAL: INITIAL TEST FOR COMPETENCY

[15 May 2017]

I. Objective

The objective of the initial test for competency in respect of the tax professional programme is to ensure that the trainee has the minimum tax skills required to benefit from the programme and to perform entry-level tax work required of the applicable employer. The test is mainly designed for students that have completed an honours level tax course, but students having completed an honours level tax accounting course, a law degree or a 3rd year B Com tax course (albeit with greater difficulty).

The assessment assumes that the trainee is familiar with utilising actual tax acts. The assessment focuses mainly on the income tax, to a lesser extent on the value-added Tax and superficially on a few of the other fiscal charges (e.g. donations tax and transfer duty).

II. Conceptual Coverage - Tax

A. Overview

Trainees are expected to understand the core basics of income tax and value-added tax as well as further in-depth knowledge associated with specific topics typically covered by university B. Com majors in their second and third years. The main emphasis of the examination will fall on income tax with a smaller more basic emphasis on value-added tax. Taxpayers covered within the exam are almost exclusively limited to domestic natural persons and companies.

B. Core Pillars – Income Tax

Trainees are expected to know five basic pillars associated with income tax. These pillars ensure that trainees have the foundational knowledge that can be applied to real-life problems expected of young working graduates. In particular:

Pillar I: Overall Income Tax Calculation: Trainees must understand the core formula associated with the income tax calculation to determine taxable income as applied to a specific individual or company tax rate. This formula essentially acts as the “spinal cord” for the income tax system.

Pillar II: Gross Income / Exempt Income: The income tax formula begins with the calculation of receipts and accruals. These receipts and accruals are taken into account during one or more years of assessments under the general “gross income” formula under the section 1 “gross income” definition (before paragraph (a)) and as special additional inclusions within that definition or found elsewhere in the income tax act (via paragraph (n) of the section 1 “gross income” definition). In a limited number of cases, gross income may be exempt (under section 10).

Pillar III: Deductions and Assessed Losses: The income tax formula then allows deductions to be subtracted so as to determine “taxable income”. Deductions are initially found in section 11(a) under the general deduction formula associated with trading activities. Special deductions also exist in other paragraphs of section 11 or derived from other sections of the income tax act (with section 11(x) bringing these other sections technically into operation). Deductions may stem from expenditures incurred during the current year of assessment or as excess deductions from prior years (known as assessed losses).

Pillar IV: Disposal of Assets: The disposal of property (such as immovable property, movable property and intellectual property) require special considerations. This property will typically be classified as trading stock, capital assets and allowance assets – each with its own system of determining net gain or loss. Trading stock falls entirely under the system of ordinary revenue. Capital assets fall entirely under the capital gain system of the 8th Schedule. Allowance assets fall under a mix of ordinary and capital gain / loss. These differences not only arise in terms of disposal but also in terms of initial cost, improvement and depreciation.

C. Frequently Taught Specialties – Income Tax

In addition to the core pillars above, trainees should have a basic understanding of certain specialty areas frequently taught in university programmes. These areas typically focus on recurring basic tax issues pertaining to individuals, companies and tax administration. In particular:

Specialty Area I: Individual returns and payroll: This area of focus covers individuals (i.e. natural persons) from multiple perspectives. Trainees are expected to understand the recurring issues associated with individuals submitting returns as employees, including offsets for primary rebates, medical aid / expenses and other limited offsets allowable for employees. Trainees should have a basic understanding of the taxation of recurring savings, including retirement planning and the income tax impact of donations and death. Trainees also typically have an understanding of the taxation of employer fringe benefits and typical employee allowances (e.g. motor cars and subsistence)

Specialty Area II: Company tax basics: This area of focus covers the basics associated with companies. Trainees are expected to have a basic understanding of the payments associated with the most common sources of company funding (e.g. dividend payments in respect of share financing and interest payments in respect of debt). Trainees are also expected to understand the special rules associated with small business companies and a general understanding of the turnover tax.

Specialty Area III: Tax Administration (Withholding): A key element of taxation relates to upfront collections. Employers withholding taxes associated with employee salary. Individual with income falling outside this withholding net must submit provisional returns and companies must similarly submit provisional returns. Withholding taxes and provisional returns are essentially advanced payments in respect of annual taxes owed in terms of final tax returns. Trainees should understand how all of these withholding taxes work as well as the risk of penalties.

D. Core Pillars – Value-added Tax

The second most important tax in terms of Government revenue collection is the value-added tax with trainees typically receiving basic training at university level. This basic training should include:

- An understanding of taxpayer registration as a VAT vendor and the category types for submitting recurring returns (e.g. on a monthly, bi-month or six monthly basis).
- The basic method of calculating VAT payments and refunds when standard rated, zero-rated and exempt supplies are involved.
- An understanding of some key zero-rated outputs (e.g. exports) and exempt outputs (e.g. residential housing and transport).
- Basic rules associated with allowable inputs (including invoice requirements) as well as prohibited inputs (e.g. motor cars and entertainment).

E. Collateral tax areas (surface awareness)

Trainees should have some basic knowledge of certain other collateral taxes even though trainees will typically not work with these acts. In essence, trainees should have a conversational awareness of these taxes upon entry in the programme to spot if these taxes are potentially applicable. These collateral taxes are as follows:

- Donations Tax
- Estate Duty
- Transfer Duty
- Securities Transfer Tax

III. Conceptual Coverage – Accounting

Tax professionals need to have a solid understanding of basic accounting in order to ensure that financial numbers are properly translated into required annual tax returns (e.g. IT14

(companies) and IT12 (sole proprietors)). In terms of the initial assessment, entering tax professionals must:

- Be familiar with the terms and concepts of statements regarding profit and loss (e.g. the statement of profit and loss and other comprehensive statement of income);
- Be familiar with terms and concepts regarding balance sheet assets and liabilities (e.g. the statement of financial position); and
- Be familiar with the general concepts associated with the trial balance.

These concepts include understanding the distinction between current and non-current assets / liabilities, the basics of equity (e.g. share capital and share premium), impairments and similar financial basics. Tax professionals must also be familiar with commonplace terminology and processes (e.g. the meaning of a deferred tax account and the general role of IFRS). In terms of reading, tax professionals should be able to rely on their books used in university relating to financial accounting,

IV. Detailed syllabus

A. Initial notes

The assessment is almost exclusively directed toward domestic natural persons and companies with income from domestic sources. A few isolated questions may be directed toward the other entities listed (e.g. public benefit organisations). One can assume that all questions will be based on current law (e.g. without regard to pre-effective date matters, such as the special effective capital gain rules associated with pre-2001 assets).

B. Detailed reading outline

The required reading below is primarily based on “Notes on South African Income Tax” by Phillip Haupt and the required tax act sections listed. Trainees are expected to have directly read the tax act sections provided. Trainees are merely expected to understand the concepts associated with the judicial decisions and SARS guidance as listed in the book by Phillip Haupt (i.e. trainees are not required at this stage to directly review these judicial decisions / SARS guidance).

While we believe that Philip Haupt’s book is more useful for trainees entering the programme given its focus on the core mechanics of taxation, we are providing “Silke: South African Income Tax” as alternative reading given the book’s widespread use amongst many universities. The Silke book will be required reading for the final assessment. In terms of the initial assessment, trainees should remember that the core of the assessment lies in understanding the tax act sections required with the Haupt / Silke book used to better understand how the pieces fit together and matters of interpretation.

Trainees should note that the syllabus is very precise in terms of required reading in order to reduce confusion and unnecessary work. The assessment will cover only the precise areas required – not collateral areas.

In some cases, only the Haupt book will be required without regard to precise tax act sections. In these circumstances, one can only be expected to have a superficial (i.e. conversational level understanding of the material). These areas mainly include certain aspects of the income tax (e.g. retirement planning) as well as certain collateral tax areas (e.g. Estate Duty and Transfer Duty).

Pillar I: Overall Income Tax Calculation

Normal Tax Calculation			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
1.2 (opening)	Income tax act	None required	Chapter 1.1.1: Normal Tax
1.2.1	Income tax act: Normal Tax (see also 1 and 4 of Tax Tables and Rates (Appendix A))	Section 1 (definition of "normal tax") Section 1 (definition of "taxable income") Paragraphs 1 and 3 of Schedule I to Rates and Monetary Amounts and Amendment of Revenue Laws (Rates of normal tax)	Chapter 1.2: Determination of taxable income, normal tax liability and total tax liability
1.2.2	Income tax act: Capital gains tax	Section 26A	Chapter 28.1: Introduction
1.2.3	Income tax act: Year of assessment	Section 1 (definition of "year of assessment")	Chapter 2.4.1: The year of assessment
1.3 (opening)	Normal Tax	Section 1 (definition of "income") Section (definition of "normal tax") Section 1 (definition of "taxable income") Section 5(1)	Chapter 1.1.1: Normal Tax
1.3.1	Normal Tax: Framework for the calculation of normal tax	Section 1 (definition of "income") Section (definition of "normal tax") Section 1 (definition of "taxable income") Section 5(1)	Chapter 1.2: Determination of taxable income, normal tax liability and total tax liability
1.3.2	Normal Tax: Example of a tax calculation	Section 1 (definition of "income") Section (definition of "normal tax")	Chapter 1.2: Determination of taxable income, normal tax liability and total tax liability

		Section 1 (definition of “taxable income”) Section 5(1)	
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Recurring Income Tax Definitions			
Trainees must also be familiar with the following section 1 definitions:			
<ul style="list-style-type: none"> • “company” • “connected person” • “financial year” • “relative” • “taxpayer” • “year of assessment” 			

Pillar II: Core Basics - Gross Income / Exempt Income

Gross Income (Chapter 2)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
2.1.1	Gross Income: Framework	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.1: The definition of ‘gross income’
2.1.2	Gross Income: Year of assessment	Section 5(1) Section 66(13A) Also: Section 1 (definition of “year of assessment”) Section 1 (definition of “financial year”)	Chapter 2.4.1: The year of assessment
2.2	Total Amount	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.2: The total amount in cash or otherwise
2.3	In cash or otherwise	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.2: The total amount in cash or otherwise
2.4 (opening)	Received by or accrued to	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.3: The earlier of receipt or accrual
2.4.1	Received by or Accrued to: Receipt	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.1: “Meaning of ‘received by’
2.4.2	Received by or Accrued to: Deposits and receipts in advance	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.1: “Meaning of ‘received by’

2.4.3	Received by or Accrued to: Accrual	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.2: Meaning of ‘accrued to’)
2.4.4	Received by or Accrued to: Settlement discounts	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.2: Meaning of ‘accrued to’
2.4.5	Received by or Accrued to: Value of accruals	Section 1 (definition of “gross income” before paragraph (a))	Chapter 2.3.5: Valuation of receipt or accrual
2.7 (opening)	Capital	Section 1 (definition of “gross income” before paragraph (a))	Chapter 28.1: Introduction
2.7.1	Capital: Nature of receipts	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.3: The employment of capital
2.7.2	Capital: Sale of assets	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.1: Introduction
2.7.3	Capital: Fixed capital vs floating capital	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.2.7: Fixed or floating capital
2.7.4	Capital: Intention	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.2.1: Intention: The golden rule
2.7.5	Capital: Scheme of profit-making	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.4.12: Share transactions
2.7.6	Capital: Intention of a natural person	Section 1 (definition of “gross income” before paragraph (a))	No additional reading required
2.7.7	Capital: Intention of a company	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.2.6: Intention of a company
2.7.8	Capital: Continuity	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.2.8: Isolated transactions
2.7.9	Capital: Change of intention	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.2.5: Change of intention
2.7.10	Capital: Onus	Section 1 (definition of “gross income” before paragraph (a))	Chapter 3.1: Introduction
2.7.11	Capital: Examples of specific situations	Section 1 (definition of “gross income” before paragraph (a))	Chapters 3.2.9: Realisation companies and trusts

			Chapter 3.4: Other specific transactions
2.8	Deemed capital profit on sale of shares	Section 9C(2)	Chapter 21.10: Deemed capital receipts from the disposal of shares
2.9	Tax on capital gains	No tax act reading required	Chapter 28.1: Introduction

Special Inclusions in Gross Income (Chapter 3)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
3.1	Introduction	Section 1 (definition of "gross income" before paragraph (a) as well as paragraph (n))	Chapter 4.1: Special inclusions in gross income
3.2.1	Annuities: Annuity (see also Chapters 4.18 and 14.2.1)	Section 1 (paragraph (a) of the definition of "gross income")	Chapter 4.2: Annuities (<i>excluding living annuities</i>) Chapter 6.19: Purchased annuities
3.4.1	Serviced rendered: Services	Section 1 (paragraph (c) of the definition of "gross income")	Chapter 4.4: Services
3.4.2	Serviced rendered: Employment (see also Chapter 14.2.2)	Section 1 (paragraph (c) of the definition of "gross income")	Chapter 4.4: Services
3.4.3	Serviced rendered: Anti-avoidance provision	Section 1 (paragraph (c) of the definition of "gross income")	Chapter 4.4: Services
3.4.4	Serviced rendered: Commutation of amounts due	Section 1 (paragraph (f) of the definition of "gross income")	Chapter 4.8: Services – Commutation of amounts due

3.5	Restraint of trade	Section 1 (paragraphs (cA) and (cB) of the definition of "gross income")	Chapter 4.5: Restraint of trade
3.6	Lump sum benefits (see also Chapter 14.2.2) (<i>excluding lump sum payouts from life policies</i>)	Section 1 (paragraph (d)(opening paragraph and (i)) of the definition of "gross income")	Chapter 4.6: Services – Compensation for loss of office

3.7	Pension, provident and retirement annuity fund benefits (see also references below to Chapter 14)	Section 1 (paragraph (e) of the definition of “gross income”)	Chapter 4.7: Fund benefits
3.12	Fringe benefits (see also reference Chapter 13.2.2)	Section 1 (paragraph (i) of the definition of “gross income”)	Chapter 4.12: Fringe benefits
3.14	Sale of assets similar to trading stock (see also reference to Chapter 10.1)	Section 1 (paragraph (jA) of the definition of “gross income”)	Chapter 4.13: Proceeds from the disposal of certain assets
3.16	Dividends (see also references below to Chapter 4.6 and Chapter 16)	Section 1 (paragraph (k) of the definition of “gross income”)	Chapter 4.14: Dividends
3.20 (opening)	Recoupments and other inclusions	Section 1 (paragraph (n) of the definition of “gross income”)	Chapter 4.19: Amounts deemed to be receipts or accruals and section 8(4) recoupments
3.20.1	Recoupments and other inclusions: General recoupment provision	Section 8(4)(a)	Chapter 4.19: Amounts deemed to be receipts or accruals and section 8(4) recoupments

Exempt Income (Chapter 4)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
4.1	General	Section 10(1)(opening line) and (3)	Chapter 6.1: Introduction
4.2	Government and related exemptions (<i>focus only on government spheres</i>)	Section 10(1)(a)	Chapter 6.27: Governments, governmental and other multinational institutions (<i>focus solely on government spheres</i>)
4.3.1	Receipts and accruals of certain funds, public institutions, clubs, societies and associations:	Section 10(1)(cN) (<i>light review only</i>) 9 th Schedule (Part I) (<i>light review only</i>)	Chapter 6.23: Public benefit organisations

	Public benefit organisations		
4.3.4	Receipts and accruals of certain funds, public institutions, clubs, societies and associations: Retirement funds, benefit funds, professional bodies (<i>focus only on retirement funds</i>)	Section 10(1)(d)(opening line and (i))	Chapter 6.31: Benefit, pension, pension preservation, provident, provident preservation (<i>focus solely on retirement funds</i>)
4.4.8	Pensions and other employment-related benefits: Policy payouts	Section 10(1)(gl) See also section 23(r)	Chapter 6.7: Proceeds from insurance policies
4.6.1	Dividends: South African dividends (<i>light review only</i>)	Section 10(1)(k)(i)(before all of the provisos)	Chapter 6.9 (opening): Dividends

4.11.1	Micro Business (see also references below to Chapter 26)	Section 10(1)(zj)	Chapter 6.16: Micro businesses
4.15	Bursaries and scholarships	Section 10(1)(q)	Chapter 6.12: Bursaries and scholarships
4.18	Purchased annuities (<i>excluding any discussion pertaining to commutation / termination of annuity payments and foreign currency payments</i>)	Section 10A(1)(definitions of “annuity amount”, “annuity contract”, “expected return” and paragraph (a) of the “purchaser” definition) Section 10A(2) Section 10A(3)(opening line) and (a)	Chapter 6.19: Purchased annuities

Pillar III: Core Basics – Deductions and Assessed Losses

The General Deduction Formula (Chapter 5)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
5.1	Introduction	Section 11(opening paragraph), (a) and (x) Section 23(g)	Chapter 7.1: Introduction

5.2.1	Trade: General	Section 11(opening paragraph) and (a) Section 1 (definition of "trade")	Chapter 7.2 (opening): The meaning of 'carrying on a trade'
5.2.2	Trade: Trading at a loss	Section 11(opening paragraph) and (a) Section 1 (definition of "trade")	Chapter 7.3.1: Expenditure and losses
5.3.1	Pre-trade expenditure and losses – section 11A: General	Section 11A	Chapter 7.2.1: Pre-trade expenditure and losses
5.3.2	Pre-trade expenditure and losses – section 11A: Commencement of trade	Section 11(opening paragraph) and (a) Section 1 (definition of "trade")	Chapter 7.2.1: Pre-trade expenditure and losses
5.4 (opening)	Requirements of section 11(a)	Section 11(opening paragraph) and (a)	Chapter 7.3 (opening): General deduction formula
5.4.1	Requirements of section 11(a): Expenditures and losses	Section 11(opening paragraph) and (a)	Chapter 7.3.1: 'Expenditure and losses'

5.4.2	Requirements of section 11(a): Actually incurred	Section 11(opening paragraph) and (a)	Chapter 7.3.2: 'Actually incurred'
5.4.3	Requirements of section 11(a): Unrealised losses	Section 11(opening paragraph) and (a)	Chapter 7.3.1: 'Expenditure and losses'
5.4.6	Requirements of section 11(a): During the year of assessment	Section 11(opening paragraph) and (a)	Chapter 7.3.3: 'During the year of assessment'
5.4.7	Requirements of section 11(a): In the production of income	Section 11(opening paragraph) and (a)	Chapter 7.3.4: 'In the production of income'
5.4.8	Requirements of section 11(a): Purpose of expenditure	Section 11(opening paragraph) and (a)	No additional reading
5.4.9	Requirements of section 11(a): Dual purpose	Section 11(opening paragraph) and (a)	Chapter 7.3.4: 'In the production of income'

5.4.10	Requirements of section 11(a): Production of income in future years	Section 11(opening paragraph) and (a)	Chapter 7.3.4: 'In the production of income'
5.4.11	Requirements of section 11(a): Expenditure after income has been earned	Section 11(opening paragraph) and (a)	Chapter 7.3.3: 'During the year of assessment'

5.4.12	Requirements of section 11(a): Not of a capital nature	Section 11(opening paragraph) and (a)	Chapter 7.3.5: 'Not of a capital nature'
5.5 (opening)	Deductions not allowed in determination of taxable income	Section 11(opening paragraph) and (a) Section 23(g)	Chapter 7.5.1: Private maintenance expenditure
5.5.1	Deductions not allowed in determination of taxable income: Private and domestic expenditure	Section 23(a) and (b)	Chapter 7.5.2: Domestic or private expenses
5.5.2	Deductions not allowed in determination of taxable income: Insured losses	Section 23(c)	Chapter 7.5.3: Recoverable expenditure
5.5.3	Deductions not allowed in determination of taxable income: Tax, penalties and interest on tax	Section 23(d)	Chapter 7.5.4: Interest penalties and taxes
5.5.4	Deductions not allowed in determination of taxable income: Provisions	Section 23(e)	Chapter 7.5.5: Provisions and reserves
5.5.5	Deductions not allowed in determination of taxable income: Expenses to	Section 23(f) See also section 10(1)(k)(i)(before all provisos)	Chapter 7.5.6: Expenditure incurred to produce exempt income

	produce exempt income		
5.5.6	Deductions not allowed in determination of taxable income: Non-trade expenditure	Section 23(g)	Chapter 7.5.7: Non-trade expenditure
5.5.7	Deductions not allowed in determination of taxable income: Notional interest	Section 23(h)	Chapter 7.5.8: Notional interest

5.5.10	Deductions not allowed in determination of taxable income: Restraint of trade payments (See also reference to Chapter 6.3)	Section 23(l)	Chapter 7.5.11: Restraint of trade
5.5.11	Deductions not allowed in determination of taxable income: Expenditure relating to employment	Section 23(m)	Chapter 7.5.12: Expenditure relating to employment or office
5.5.13	Deductions not allowed in determination of taxable income: Fines and corrupt activities	Section 23(o)	Chapter 7.5.14: Unlawful activities
5.5.16	Deductions not allowed in determination of taxable income: Premiums on life and unemployment policies	Section 23(r)	Chapter 7.5.17: Premiums in respect of insurance policies against illness, injury, disability, unemployment or death of that persons
5.5.17	Deductions not allowed in determination of taxable income: Prohibition of double deductions	Section 23B(1) through (3)	Chapter 7.6: Prohibition against double deductions

	<i>(excluding insurance premiums paid by employer)</i>		
5.5.18	Deductions not allowed in determination of taxable income: Income tax effect of VAT	Section 23C(1)(before the proviso)	Chapter 7.9: Cost of assets and VAT
5.5.19	Deductions not allowed in determination of taxable income: Leave pay and variable remuneration	Section 7B	Chapter 8.2.7: Variable remuneration
5.5.20	Deductions not allowed in determination of taxable income: Prepaid expenditure	Section 23H(1) (other than provisos (cc) and (dd)) and (3)	Chapter 7.4: Prepaid expenditure

5.6.1	Specific expenses and losses: Advance payments	Section 11(opening paragraph) and (a)	Chapter 7.3.5: 'Not of a capital nature'
5.6.2	Specific expenses and losses: Advertising expenditure	Section 11(opening paragraph) and (a)	Chapter 7.10.1: Advertising
5.6.3	Specific expenses and losses: Compensation and damages	Section 11(opening paragraph) and (a) Section 1 (definition of "trade") Section 23(g)	Chapter 7.10.3: Damages and compensation
5.6.4	Specific expenses and losses: Computer costs	Section 11(opening paragraph) and (a)	Chapter 7.10.4: Education and continuing education
5.6.5	Specific expenses and losses: Conditional expenditure	Section 11(opening paragraph) and (a)	Chapter 7.3.2: 'Actually incurred'
5.6.6	Specific expenses and	Section 11(opening paragraph) and (a)	Chapter 7.3.2: 'Actually incurred'

	losses: Contingent expenditure <i>(excluding the discussion pertaining to section 24M)</i>		
5.6.7	Specific expenses and losses: Contract acquisition costs	Section 11(opening paragraph) and (a)	Chapter 7.3.5: 'Not of a capital nature'
5.6.8	Specific expenses and losses: Employment costs <i>(excluding broad-based employee share plans and termination of lump sum benefits)</i>	Section 11(opening paragraph) and (a) See also section 7B, 11(l) and 11(cA)	Chapter 8.2.1: Restraint of trade payments Chapter 8.2.2.2: Fund contributions by employers Chapter 8.2.7: Variable remuneration

5.6.9	Specific expenses and losses: Excessive expenditure	Section 11(opening paragraph) and (a)	Chapter 7.8: Excessive expenditure
5.6.10	Specific expenses and losses: Fines	Section 11(opening paragraph) and (a) Section 23(o)	Chapter 7.10.6: Fines
5.6.11	Specific expenses and losses: Home study	Section 11(opening paragraph) and (a) Section 23(b)	Chapter 7.5.2: Domestic or private expenditure
5.6.12	Specific expenses and losses: Interest (see also references below to Chapter 17)	Section 11(opening paragraph) and (a)	Chapter 7.10.8: Interest
5.6.13	Specific expenses and losses: Losses on loan account (see	Section 11(opening paragraph) and (a)	Chapter 7.10.15: Losses – Loans, advances and guarantees

	also the reference to Chapter 6.7)		
5.6.14	Specific expenses and losses: Losses – Theft or damage	Section 11(opening paragraph) and (a)	Chapter 7.10.14: Losses – Fire, Theft and embezzlement
5.6.15	Recurrent expenditure	Section 11(opening paragraph) and (a)	Not in Silke (use Practice Note 22)
5.6.18	Specific expenses and losses: Tax return fees	Section 11(opening paragraph) and (a)	Not in Silke (use Practice Note 37)
5.6.19	Specific expenses and losses: Travelling expenses (see also reference to Chapter 13.3.1)	Section 11(opening paragraph) and (a)	Not in Silke (use former Practice Note 24 (withdrawn))
5.6.20	Specific expenses and losses: Warranties and guarantees	Section 11(opening paragraph) and (a)	Chapter 7.10.17: Provisions for anticipated losses or expenditure
5.7	Important cases on ‘expenditure actually incurred’ (excluding the discussion pertaining to <i>Ackerman’s Ltd v CSARS</i>)	Section 11(opening paragraph) and (a)	Chapter 7.3.2: ‘Actually incurred’

Special Deductions (Chapter 6)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
6.1	Introduction	Section 11 (<i>light review only</i>), including 11(x))	Chapter 8.1: The special deductions, the general deduction formula and prohibited deductions

6.2	Legal expenses	Section 11(c)	Chapter 8.3: Legal expenses
6.3	Restraint of trade payments (see also reference to Chapter 5.5.10)	Section 11(cA)	Chapter 8.2.1: Restraint of trade payments
6.7	Bad debts (see also reference to Chapter 5.6.19)	Section 11(i)	Chapter 8.5: Bad debt
6.8	Doubtful debts	Section 11(j)	Chapter 8.6: Doubtful debt
6.9	Deductions in respect of contributions to pension and retirement annuity funds (see also reference to Chapter 8.8.1)	Section 11(k) (<i>light review only</i>)	Chapter 10.4.1: Contributions by members to retirement funds (<i>light review only</i>)

6.10	Contributions by an employer to pension, provident and benefit funds (<i>excluding the discussion pertaining to partnerships</i>)	Section 11(l) (before the proviso)	Chapter 8.2.2.2: Fund contributions by employers
6.15	Other deductions	Section 11(x)	Chapter 8.1: The special deductions, the general deduction formula and prohibited deductions
6.19.1 (opening)	Donations to public benefit	Section 18A(1)(opening paragraph) and (a)(i)	Chapter 8.9 (opening): Donations to public benefit organisations and

	organisations and deemed deductible donations	Part II of the 9 th Schedule (<i>light review only</i>)	other qualifying beneficiaries
6.19.1	Donations to public benefit organisations and deemed deductible donations: Deductible donations (<i>excluding any discussion pertaining to contributions other than to public benefit organization and excluding any discussion pertaining to collective investment scheme</i>) (see also reference to Chapter 8.8.2)	Section 18A(1)(opening paragraph), (a)(i) and (the 10 per cent limit of Item (B))	Chapter 8.9.2: The 18A deduction (<i>excluding contributions to collective investment schemes</i>)
6.19.2	Donations to public benefit organisations and deemed deductible donations: Documentary evidence	Section 18A(2))	Chapter 8.9.4: Documentation

Miscellaneous Provisions (Chapter 12)			
Haupt		Tax Act Section	Alternative Reading: Silke
Chapter No.	Chapter Title		

12.9.1	Future expenditure on contracts: General	Section 24C	Chapter 8.11: Future expenditure on contracts
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Assessed Losses (Chapter 11)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
11.1 (opening)	Assessed Losses	Section 20(1)(before the provisos) and (2)	Chapter 8.12 (opening): Assessed losses
11.1.2	Assessed losses – section 20: Definition of trade	Section 20(1)(before the provisos) and (2) Section 1 (definition of “trade”)	Chapter 8.12.1: Assessed losses – Balance set off by taxpayers other than companies) Chapter 8.12.2: Assessed losses – Balance set off by companies
11.1.3	Assessed losses – section 20: Income from trade (<i>excluding insolvent estates – assessed loss</i>)	Section 20(1)(before the provisos), (2) and (2A) Section 1 (definition of “trade”)	Chapter 8.12.1: Assessed losses – Balance set off by taxpayers other than companies) Chapter 8.12.2: Assessed losses – Balance set off by companies
11.2.1	Ring-fencing of assessed losses – section 20A: General	Section 20A(1) Section 20A(2), (3) and (4) (<i>light review of subsections only</i>)	Chapter 8.12.4: Assessed losses – Ring-fencing of losses of natural persons from certain trades

Pillar IV: Core Basics – Disposal of Assets

Trading Stock (Chapter 10)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		

10.1 (opening)	General (see also reference to Chapter 3.14)	Section 1 (definition of “trading stock”) See also section 1 (paragraph (jA) of the “gross income” definition)	Chapter 21.1 (Introduction (definition of ‘trading stock’)
10.1.1	Section 22	Section 22(1) and (2) (<i>light review</i>) See also section 11(a) (<i>upon purchase</i>) See also section 1 (opening paragraph of the “gross income” definition)	Chapter 21.1 (Introduction (definition of ‘trading stock’)
10.2 (opening)	Closing stock (excluding section 24J instruments)	Section 22(1)(excluding (b))	Chapter 21.2 (Closing stock)
10.2.1	Closing stock: Market value (realisable value)	Section 22(1)(a)	Chapter 21.2 (Closing stock)
10.2.2	Closing stock: Spare parts	Section 11(d)	Not in Silke
10.2.3	Closing stock: Work-in-progress	Section 22(1)(a)	Not in Silke (<i>light review of Richards Bay Iron and Titanium (Pty) Ltd and Another v CIR (1996 AD 58 SATC 55 required)</i>)
10.3	Opening stock	Section 22(2)	Chapter 21.3 (Opening stock)
10.5	Cost for the purposes of section 22	Section 22(3) and (5)	Chapter 21.5 (Cost price of trading stock)
10.12	Anti-avoidance provision (<i>excluding trading stock from mining operations</i>)	Section 23F	Chapter 21.4 (Anti-avoidance provisions)
10.14	Value-added tax (see reference to	Section 23C(1)(before the proviso)	Chapter 7.9 (Cost of assets and VAT)

	Chapter 5.5.18)		
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Capital Gains Tax (Chapter 21)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
21.1	Introduction	Section 26A Paragraph 6 of the 8 th Schedule Paragraph 8 of the 8 th Schedule Paragraph 10 of the 8 th Schedule (excluding subparagraph (b))	Chapter 28.1 (Introduction)
21.2	Persons liable for CGT (<i>focus solely on South African residents</i>)	Paragraph 2(1) of the 8 th Schedule (excluding subparagraph (b))	Chapter 28.3 (Persons liable for CGT) (<i>focus solely on South African residents</i>)
21.3.1	Basic framework of CGT: Calculation	Section 26A Paragraph 10 of the 8 th Schedule (excluding paragraph (b))	Chapter 28.1 (Introduction)
21.3.2	Basic framework of CGT: Annual exclusion	Paragraph 5 of the 8 th Schedule	Chapter 28.5 (Determination of taxable capital gain)
21.3.3	Basic framework of CGT: Capital losses & annual exclusion	Paragraph 3 (opening line and subparagraph (b)) of the 8 th Schedule Paragraph 4 (opening line and subparagraph (b)) of the 8 th Schedule Paragraph 5 of the 8 th Schedule Paragraph 7 of the 8 th Schedule Paragraph 9 of the 8 th Schedule (excluding subparagraph (b))	Chapter 28.5 (Determination of taxable capital gain)
21.3.4	Basic framework of CGT: Calculation decision tree	See tax act references above	Chapter 28.5 (Determination of taxable capital gain)

21.3.5	Basic framework of CGT: Simple CGT examples	See tax act references above	Chapter 28.5 (Determination of taxable capital gain)
21.4	Rates of CGT (<i>focus solely on individuals, standard companies and small business corporations</i>)	Paragraph 10 of the 8 th Schedule (excluding paragraph (b))	Chapter 28.5 (Determination of taxable capital gain)
21.5	Capital gain (<i>excluding the discussion about previous year disposals</i>)	Paragraph 3 (opening line and subparagraph (b)) of the 8 th Schedule	Chapter 28.5 (Determination of taxable capital gain)
21.6	Capital loss (<i>excluding the discussion about previous year disposals</i>)	Paragraph 4 (opening line and subparagraph (b)) of the 8 th Schedule	Chapter 28.5 (Determination of taxable capital gain)
21.8	Asset	Paragraph 1 (definition of an "asset")	Chapter 28.6 (The definition of asset)
21.9	Disposal (<i>focus solely on the discussion within the subparagraphs listed in the right column</i>)	Paragraph 11(1) of the 8 th Schedule (excluding subparagraphs (d) through (g)) Paragraph 11(2)(subparagraphs (a), (d) and (g)) of the 8 th Schedule	Chapter 28.7.1 (Disposal events) and 28.7.2 (Non-disposals) (<i>focus solely on the discussion within the subparagraphs listed in the right column</i>)
21.10.12	Persons married in community of property	Paragraph 14 of the 8 th Schedule	Chapter 28.7.5 (Disposals by spouses married in community of property)

21.11	Time of disposal <i>(focus solely on the discussion within the subparagraphs listed in the right column)</i>	Paragraph 13 of the 8 th Schedule (excluding subparagraph (1)(a)(iiA), (1)(a)(iiB), (1)(a)(vi), (1)(a)(vii), (1)(a)(viii), (1)(e), (1)(f) and (1)(g))	Chapter 28.7.4 (Time of disposal) <i>(focus solely on the discussion within the subparagraphs listed in the right column)</i>
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21.12 (opening)	Proceeds	Paragraph 35 <i>(light review only)</i>	Chapter 28.9 Opening (Proceeds)
21.12.1	Proceeds: Proceeds from disposal <i>(focus solely on the discussion within the subparagraphs listed in the right column)</i>	Paragraph 35(1) of the 8 th Schedule (excluding (b))	Chapter 28.9 Opening (Proceeds)
21.12.2	Proceeds: Reduction of proceeds <i>(excluding notes 5, 6 and 7)</i>	Paragraph 35(3) and (4) of the 8 th Schedule	Chapter 28.9.1 (Amounts excluded from the definition of 'proceeds')
21.12.4	Proceeds: Donations and sales at less than market value <i>(excluding the discussion listing where paragraph 38 does not apply)</i>	Paragraph 38(1) of the 8 th Schedule	Chapter 28.9.7 (Disposals and donations not at arm's length or to a connected person)
21.13 (opening)	Base cost of asset <i>(excluding the discussion of assets acquired before 1 October 2001)</i>	Paragraph 20(1) <i>(light review only)</i>	Chapter 28.8 (Base cost)

21.13.1	Base cost of asset: Base cost – Paragraph 20 (<i>focus solely on the discussions pertaining to the acquisition of creation of an asset, buying and selling costs, legal title and improvements as well as interest and listed shares</i>)	Paragraph 20(1) (opening), (1)(a), (1)(c), (1)(d), (1)(e) and (1)(g) of the 8 th Schedule	Chapter 28.8.1 (Qualifying expenditure included in base cost) (<i>focus solely on the discussions pertaining to the acquisition of creation of an asset, buying and selling costs, legal title and improvements as well as interest and listed shares</i>)
21.13.2	Base cost of asset: Amounts excluded from the base cost of an asset (<i>excluding the discussion pertaining to options</i>)	Paragraph 20(2) of the 8 th Schedule (excluding (c))	Chapter 28.8.2 (Qualifying expenditure excluded from base cost) (<i>excluding the discussion pertaining to options</i>)
21.13.3	Base cost of asset: Amounts reducing the base cost of an asset	Paragraph 20(3) of the 8 th Schedule (excluding subparagraphs (a)(ii), (b)(ii), (b)(iii) and (c))	Chapter 28.8.3 (Reduction of base cost)
21.13.5	Base cost of asset: Limitation of expenditure	Paragraph 21 of the 8 th Schedule	Chapter 28.8.5 (Limitation of expenditure)

21.15	Exclusions	None required	Chapter 28.10 (Exclusions, rollovers and attributions)
21.15.1	Exclusions: Primary residence exclusion – overview	Paragraph 45 (<i>light review only</i>)	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic

			purposes) (<i>light review only</i>)
21.15.2	Exclusions: Personal use assets (<i>focus solely on the discussion within the subparagraphs listed in the right column</i>)	Paragraph 53 of the 8 th Schedule (excluding (3)(f), (3)(g), (3)(h) and 4))	Chapter 28.10.2 (Other exclusions) (<i>focus solely on personal-use assets</i>)
21.15.3	Exclusions: Retirement benefits	Paragraph 54 of the 8 th Schedule	Chapter 28.10.2 (Other exclusions) (<i>focus solely on Lump sum retirement benefits exclusions</i>)
21.15.8	Exclusions: Compensation for personal injury, illness, or defamation	Paragraph 59 of the 8 th Schedule	Chapter 28.10.2 (Other exclusions) (<i>focus solely on compensation for personal injury, illness, or defamation</i>)
21.15.9	Exclusions: Gambling, games, and competitions	Paragraph 60 of the 8 th Schedule	Chapter 28.10.2 (Other exclusions) (<i>focus solely on gambling, games, and competitions</i>)
21.15.11	Exclusions: Donations and bequests to public benefit organisations and exempt persons (<i>focus solely on donations or bequests to public benefit organisations</i>)	Paragraph 62 (opening) and (b) of the 8 th Schedule	Chapter 28.10.2 (Other exclusions) (<i>focus solely on donations and bequests to public benefit organisations and exempt persons</i>)
21.15.12	Exclusions: Exempt persons (<i>focus solely on public benefit organisations</i>)	Paragraph 63 of the 8 th Schedule	Chapter 28.10.2 (Other exclusions) (<i>focus solely on exempt persons</i>)
21.16 (opening)	Primary residence	Paragraph 45(1), (3) and (4) of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying

			to any residence used mainly for domestic purposes)
21.16.1	Primary residence: Definitions	Paragraph 44 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.2	Primary residence: Apportionment if held by more than one person	Paragraph 45(2) of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.3	Primary residence: Size of residential property qualifying for exclusion	Paragraph 46 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.4	Primary residence: Apportionment in respect of periods not ordinarily resident	Paragraph 47 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.5	Primary residence: Periods deemed ordinarily resident in primary residence	Paragraph 48 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.6	Primary residence: Apportionment for non-residential use	Paragraph 49 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used mainly for domestic purposes)
21.16.7	Primary residence: Periods of non-residential use	Paragraph 50 of the 8 th Schedule	Chapter 28.10.1 (primary residence exclusion and other provisions applying to any residence used

	deemed to be residential use		mainly for domestic purposes)
21.18.1	Loss limitation rules: Personal use aircraft, boats & certain rights and interests	Paragraph 15 of the 8 th Schedule	Chapter 28.9.6 (Disposal of interest in a company or trust that holds personal-use assets [<u>title seems in error</u>]) (<i>focus solely on paragraph 15</i>)
21.18.7	Loss limitation rules: Capital losses on disposals to connected persons (<i>excluding any discussion pertaining to the four funds of an insurer or to a trust</i>)	Paragraph 39(1), (2) and (3)(a) of the 8 th Schedule	Chapter 28.9.8 (Capital losses on disposals to connected persons)
21.19.3	Rollover relief: Transfers between spouses (<i>excluding transfers on death as well as nonresidents</i>)	Paragraph 67(1) and (2)(b) of the 8 th Schedule	Chapter 28.10.3.3 (Transfer of assets to a spouse)

Capital Allowances & Recoupments (Chapter 7)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
7.1	Introduction (<i>excluding the discussion pertaining to leases</i>)	None required	Chapter 9.1 (Introduction) (<i>light review only</i>)
7.2	Repairs	Section 11(d) See also paragraph 20(1)(e) of the 8 th Schedule	Chapter 8.4 Opening Chapter 28.8.1 (Qualifying expenditure included in base cost) (<i>focus solely on cost of improvements or enhancements</i>)
7.3.1	Wear and tear: General	Section 11(e) (excluding subparagraph (iA) and (iiiA))	Chapter 9.3.1 (Wear-and-tear allowance)

	(excluding the discussion pertaining to installment credit agreements, foreign trading activities non-quantified costs)		
7.3.2	Wear and tear: Interpretation Note No. 47 & BGR No. 7 (see also Appendix B (Wear and Tear Allowance))	None required	Chapter 9.3.1 (Wear-and-tear allowance) (see also Appendix E (Write-off periods acceptable to SARS))
7.3.4	Wear and tear – section 11(e): Structures or works of a permanent nature	Section 11(e)(ii)	Chapter 9.3.1 (Wear-and-tear allowance)

7.4	Allowance in respect of the disposal of assets	Section 11(o) Section 20B	Chapter 9.11 (Alienation, loss or destruction allowance) Chapter 9.11.1 (Limitation of losses from disposal of certain assets)
7.5.1	Special depreciation allowances: Section 12C allowance (<i>focus only on plant or machinery used by the taxpayer, excluding leased assets and reductions for periods in which trade was not included in income</i>)	Section 12C(1)(a), (1)(h), (the proviso to (1)), (2), (6)	Chapter 9.3.3 (Movable assets used by manufacturers, for research and development or by hotelkeepers, and ships, aircraft and assets used for the storage and packing of agricultural products) (<i>focus only on plant or machinery used by the taxpayer, excluding leased assets and reductions for periods in which trade was not included in income</i>)
7.5.3	Special depreciation	Section 12C(1)(paragraph after (h) but before (c))	Chapter 9.3.3 (Movable assets used by

	allowances: Four-year write-off		manufacturers, for research and development or by hotelkeepers, and ships, aircraft and assets used for the storage and packing of agricultural products) <i>(focus only on plant or machinery used by the taxpayer, excluding leased assets and reductions for periods in which trade was not included in income)</i>
7.5.4	Special depreciation allowances: Five-year write-off	Section 12C(1)(c)	Chapter 9.3.3 (Movable assets used by manufacturers, for research and development or by hotelkeepers, and ships, aircraft and assets used for the storage and packing of agricultural products) <i>(focus only on plant or machinery used by the taxpayer, excluding leased assets and reductions for periods in which trade was not included in income)</i>
7.6	Process of manufacture	Section 12C(1)(a)	Chapter 9.2.3 (Process of manufacture)
7.7	Similar process	Section 12C(1)(a)	Chapter 9.2.3 (Process of manufacture)
7.8	Plant	Section 12C(1)(a)	Chapter 9.2.2 (Machinery, plant, implements, utensils and articles)

7.9.1	Cases dealing with capital allowances: Repairs	Section 11(d)	Chapter 8.4.1 (Repairs meaning)
7.9.2	Cases dealing with capital allowances: Process of manufacture	Section 12C(1)(a)	Chapter 9.2.3 (Process of manufacture)
7.9.3	Cases dealing with capital	Section 12C(1)(a)	Chapter 9.2.3 (Process of manufacture)

	allowances: Plant		
7.18	Building allowances	No reading of act sections required	Chapter 9.1(Introduction) <i>(focus solely on the chart pertaining to immovable assets)</i>
7.18.2	Building allowances: Building annual allowance – Industrial / factory buildings <i>(focus only on plant or machinery used by the taxpayer, excluding leased assets, research / development, cost on which allowance is allowable and recoupments)</i>	Section 13(1) (opening), (a), (d), (dA), (f) and (proviso (b)), (9)(definition of “improvements”)	Chapter 9.4.1 (Buildings and improvements) <i>(focus only on plant or machinery used by the taxpayer, excluding leased assets, research / development, cost on which allowance is allowable and recoupments)</i>
7.18.6	Building allowances: Commercial buildings	Section 13quin(1) and (7)	Chapter 9.4.5 (Commercial buildings)
7.18.7	Building allowances: Deductions in respect of certain residential units <i>(excluding the discussion relating to low-cost residential units and the cost on which the allowance was based)</i>	Section 1 (definition of “residential unit”) Section 13sex(1)(excluding the proviso)	Chapter 9.4.3 (Residential units)

7.18.9	Building allowances: Building 'scrapping' allowance	No reading of tax act sections required	No Silke but note that note no scrapping allowance is available for buildings
7.20.1	Recoupments: General recoupment provision <i>(excluding any discussion pertaining to reduction of debt)</i>	Section 8(4)(a)	Chapter 9.10.1 (Recoupments: General recoupment provision) <i>(focus solely on section 8(4)(a) on disposal of section 11(e), 12C, 13 13quin and 13sex assets)</i>
7.20.4	Recoupments: Case law – recoupments <i>(focus solely on the meaning of recover or recoup)</i>	Section 8(4)	Chapter 9.10.1 (Recoupments: General recoupment provision) <i>(focus solely the discussion pertaining to Omnia Fertilizer Ltd v. CSARS and CSARS v Pinestone Properties)</i>

Specialty Area I: Individuals Returns & Payroll

Individuals (Chapter 8)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
8.1.1	Introduction: Calculation of an individual's tax liability	No reading of tax acts required	Chapter 10.1: Introduction and framework Chapter 10.2: Calculation and normal tax liability
8.1.2	Introduction: Tax table (see also 1 and 4 of Tax Tables and Rates (Appendix A))	Paragraph 1 of Schedule I to Rates and Monetary Amounts and Amendment of Revenue Laws (Rates of normal tax)	Chapter 10.1: Introduction and framework Chapter 10.2: Calculation and normal tax liability
8.1.3	Introduction: Tax collection	Section 66(1) Section 67 Section 22(1) and (2)(other than (b)) of the Tax Administration Act	Chapter 10.3: Recovery of normal tax liability
8.2	Normal tax rebates	Section 6(1) and (2)	Chapter 10.1: Introduction and framework

			Chapter 10.2: Calculation and normal tax liability
8.2.1	Normal tax rebates: Tax thresholds	No reading of tax act sections required	Chapter 10.1: Introduction and framework Chapter 10.2: Calculation and normal tax liability

8.4.1	The taxation of married persons: General <i>(excluding the discussion pertaining to partnerships)</i>	Section 7(2)(other than (b)(ii))	Chapter 10.5 (opening): Taxation of married couples Chapter 10.5.1: Deemed inclusion
8.4.2	The taxation of married persons: Community of property <i>(excluding the discussion pertaining to section 7(2C))</i>	Section 7(2A) and (2B) Section 25A	Chapter 10.5.2: Marriage in community of property) Chapter 10.5.3: 'Income for the purpose of the deeming provisions Chapter 10.5.4: Expenditure and allowances
8.4.3	The taxation of married persons: Examples of taxation of married persons <i>(excluding the discussion pertaining to section 7(2C))</i>	Section 7(2A) and (2B)	Chapter 10.5.2: Marriage in community of property) Chapter 10.5.3: 'Income for the purpose of the deeming provisions Chapter 10.5.4: Expenditure and allowances
8.6	Interest exemption	Section 10(1)(i)	Chapter 6.17: Interest
8.8 (opening)	Deductions for individuals <i>(excluding the</i>	Section 23(m)	Chapter 10.4 (opening): Deductions

	<i>discussion pertaining to section 11(nA) and (nB)</i>		
8.8.1	Deductions for individuals: Pension, provident and retirement annuity fund contributions – 2017	Section 11(k)(excluding (ii), (iii) and (iv))	Chapter 10.4.1: Contributions by members to retirement funds
8.8.2	Deductions for individuals: Donations to public benefit organisations (see also reference to Chapter 6.19.1)	Section 18A(1)(opening paragraph) and (a)(i) Part II of the 9 th Schedule (<i>light review only</i>)	Chapter 8.9 (opening): Donations to public benefit organisations and other qualifying beneficiaries Chapter 8.9.2: The 18A Deduction) Chapter 8.9.4: Documentation

8.9 (opening)	Medical Expenses Tax Credit	No tax act section reading required	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses
8.9.1	Medical expenses tax credit: Medical scheme fees tax credit (<i>excluding any discussion pertaining to foreign medical schemes, deceased estates and contributions</i>)	Section 6A (excluding subsections (1)(a)(ii) and (3))	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses

	<i>by employers)</i>		
8.9.2	Medical expenses tax credit: Additional medical expenses tax credit <i>(excluding any discussion pertaining to fringe benefit, disability and physical impairment)</i>	Section 6B(1)(definitions of “child”, “dependent” and paragraph (a) of “qualifying medical expenses” definition) Section 6B(2) and (3)(excluding (a) and (b))	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses
8.9.3	Medical expenses tax credit: Persons who are 65 and older	Section 6B(3)(a)	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses
8.9.5	Medical expenses tax credit: Persons younger than 65 without any liability	Section 6B(3)(c)	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses
8.10	Tax computations	No tax act section reading required	Chapter 10.4.2: Medical scheme fees tax credit and additional tax credit for medical expenses
8.11.2	Divorced persons: Post-1962 divorces and separations	Section 1 (paragraph (b) of the “gross income” definition) Section 10(1)(u)	Chapter 10.6: Separation, divorce and maintenance orders

Retirement Benefits and Planning (Chapter 14)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		

14.1	General	No tax act section reading required	Chapter 12.1: Introduction
14.2.1	The taxation of amounts received as a result of retirement: Annuities (see also Chapter 3.2.1)	Section 1 (paragraph (a) of the “gross income” definition)	Chapter 4.2: Annuities
14.2.2	The taxation of amounts received as a result of retirement: Lump sums on termination of service (see also Chapter 3.6)	Section 1 (paragraph (d)(i) of the “gross income” definition)	Chapter 12.2 (opening): Lump sums
14.2.3	The taxation of amounts received as a result of retirement: Severance benefits Tax table (see also 9(c)(i) of Tax Tables and Rates (Appendix A) (<i>excluding discussions pertaining to insurance proceeds</i>))	Section 1 (definition of “severance benefit”) Paragraph 9(c)(i) of Schedule I to Rates and Monetary Amounts and Amendment of Revenue Laws (Rates of normal tax)	Chapter 12.2.1: Compensation for loss of office or employment
(Superficial review only / No reading of tax act sections required)			
Haupt			Alternative reading: Silk
14.3.1	Pension, provident, preservation and retirement annuity funds: Definitions (<i>review lightly</i>)		Chapter 4.2: Annuities
14.3.2	Pension, provident, preservation and retirement annuity funds: Taxation of annuities (see also Chapter 14.2.1)		Chapter 12.1: Introduction
14.3.3	Pension, provident, preservation and retirement annuity funds: Taxation of lump sums – background		Chapter 12.3: Fund benefits
14.3.4	Pension, provident, preservation and retirement annuity funds: Taxation of lump sums – second schedule		Chapter 12.3: Fund benefits
14.3.5	Pension, provident, preservation and retirement annuity funds: Retirement benefit		Chapter 12.3.1: RLB
14.3.6	Pension, provident, preservation and retirement annuity funds: Withdrawal benefit		Chapter 12.3.2: RLWB

14.3.7	Pension, provident, preservation and retirement annuity funds: Retirement benefit – tax table	Chapter 12.3.1: RLB
14.3.8	Pension, provident, preservation and retirement annuity funds: Withdrawal benefit – tax table	Chapter 12.3.2: RLWB
14.3.14	Pension, provident, preservation and retirement annuity funds: Withholding tax on lump sums	Chapter 13.3.2: RLWB (<i>focus solely on Remember Box dealing with 9(3) of the 4th Schedule</i>)

Estate and Trusts (Chapter 24)			
Haupt		Tax Act Sections	Alternative Book: Silke
Chapter No.	Chapter Title		
24.2.1	Capital and Income Gains on Death (<i>excluding discussions pertaining to long-term policies, retirement funds and other funds and section 22(8)(b)(ii)</i>)	Section 9HA(1)(excluding (b) and (c)) and (2)	Chapter 29.2.2: Capital gains tax (<i>focus solely on the tax act provisions listed</i>)

Employment and Fringe Benefits			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
13.1	Introduction	No tax act section reading required	Chapter 11.1: Introduction
13.2.1	Gross income definition: Payment for services rendered	Section 1 (paragraph (c) of the “gross income” definition)	Chapter 4.4: Services
13.2.2	Gross income definition: Fringe benefits (see also reference to Chapter 3.12) (<i>excluding discussions pertaining to shares / rights to shares</i>)	Section 1 (paragraph (i) of the “gross income” definition)	Chapter 11.4: Seventh Schedule benefits

13.2.3	Gross income definition – paragraphs: Allowances, advances and reimbursements	Section 1 (paragraph (n) of the “gross income” definition) Section 8(1)(<i>lightly review</i>)	Chapter 11.1: Introduction
13.3 (opening)	Allowances, advances and reimbursements	Section 8(1)(<i>lightly review</i>)	Chapter 11.2: Allowances
13.3.1	Allowances, advances and reimbursements: Travel allowance	Section 8(1)(a)(i)(excluding (bb) and (cc)) Section 8(1)(b)(excluding (iv))	Chapter 11.3.1: Specific allowances (<i>excluding Employees’ tax</i>)
13.3.3	Allowances, advances and reimbursements: Employees’ tax on travel allowance (see reference to Chapter 15.2.6)	Paragraph 1 (paragraph (cA) of the definition of “remuneration”) of the 4 th Schedule	Chapter 11.3.1: Specific allowances (<i>focus solely on Employees’ tax</i>)
13.3.4	Allowances, advances and reimbursements: Subsistence allowance	Section 8(1)(a)(i)(bb) and (c)	Chapter 11.3.2: Subsistence allowance
13.4.1	Taxable benefits derived by reason of employment or the holding of any office: General	Section 1 (paragraph (i) of the “gross income” definition) 7 th Schedule (<i>lightly review</i>)	Chapter 11.4: Seventh Schedule benefits
13.4.2	Taxable benefits derived by reason of employment or the holding of any office: Seventh Schedule – Overview (<i>excluding any discussion relating to benefits given to associated institutions</i>)	Paragraph 2 of the 7 th Schedule (<i>lightly review</i>)	Chapter 11.3.1: Specific allowances (<i>excluding Employees’ tax</i>)
13.4.3	Taxable benefits derived by reason of employment or the holding of any	Paragraph 2(a) of the 7 th Schedule Paragraph 5 of the 7 th Schedule	Chapter 11.4.4: Assets acquired at less than actual value

	office: Acquisition of asset at less than actual value		
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13.4.4	Taxable benefits derived by reason of employment or the holding of any office: Right of use of any asset (other than residential accommodation or any motor vehicle)	Paragraphs 2(b) of the 7 th Schedule Paragraph 6 (excluding (3)) of the 7 th Schedule	Chapter 11.4.5: Use of sundry assets
13.4.5	Taxable benefits derived by reason of employment or the holding of any office: Right of use of motor vehicle (<i>excluding the discussion relating to change in employees using the vehicle and more than one vehicle</i>) (see also Chapter 15.2.6)	Paragraph 2(b) of the 7 th Schedule Schedule 7 (excluding the provisos to (1)) and (excluding (3), (6) and (8A)) See also section 23A(definition of “operating lease”) See also paragraph 1 (paragraph (cB) of the “remuneration” definition) of the 4 th Schedule	Chapter 11.4.6: Right of use of motor vehicles
13.4.6	Taxable benefits derived by reason of employment or the holding of any office: Meals, refreshments and meal and refreshment vouchers	Paragraph 2(c) and 8 of the 7 th Schedule	Chapter 11.4.7: Meals, refreshments and meal and refreshment vouchers
13.4.7	Taxable benefits derived by reason of employment or the holding of any office: Residential accommodation (<i>excluding the discussion relating to paragraphs 9(5), 9(6), 9(9) and</i>	Paragraph 2(d) of the 7 th Schedule Paragraph 9 (excluding (5), (6), (7A), (7B) and (9)) of the 7 th Schedule	Chapter 11.4.9: Holiday accommodation

	<i>expatriate employees)</i>		
13.4.8	Taxable benefits derived by reason of employment or the holding of any office: Summary of residential accommodation fringe benefit	No additional reading of tax act sections required	Chapter 11.4.8: Residential accommodation
13.4.9	Taxable benefits derived by reason of employment or the holding of any office: Examples of residential accommodation fringe benefit	No additional reading of tax act sections required	Chapter 11.4.8: Residential accommodation
13.4.11	Taxable benefits derived by reason of employment or the holding of any office: Free or cheap service <i>(excluding any discussion relating to (2)(a), (2)(bA) and 2(d))</i>	Paragraph 2(e) of the 7 th Schedule Paragraph 10 (excluding (2)(a), (bA) and (d)) of the 7 th Schedule	Chapter 11.4.10: Free or cheap services
13.4.15	Taxable benefits derived by reason of employment or the holding of any office: Medical aid contributions	Paragraph 2(i) of the 7 th Schedule Paragraph 12A (excluding (2) and (3)) of the 7 th Schedule	Chapter 11.4.14: Contributions to medical schemes
13.4.16	Taxable benefits derived by reason of employment or the holding of any office: Incurral of costs relating to medical services <i>(excluding any discussion pertaining to the Commissioner's power to determine portions where</i>	Paragraph 2(j) of the 7 th Schedule Paragraph 12B (excluding (2), (3)(a)) of the 7 th Schedule	Chapter 11.4.15: Costs relating to medical services

	<i>otherwise undeterminable and medical schemes run by the employer)</i>		
13.4.18	Taxable benefits derived by reason of employment or the holding of any office: Contributions to retirement funds by employer <i>(excluding any discussion of defined benefits and the notes)</i>	Paragraph 2(l) of the 7 th Schedule Paragraph 12D(1)(the definitions of “defined contribution component” and “fund member category”) and (2) of the 7 th Schedule	Chapter 11.4.17: Contributions by an employer to retirement funds
13.5.1	Exemptions and deductions: Special uniforms exemption	Section 10(1)(nA)	Chapter 6.18.1: Employment: Uniforms and uniform allowances
13.5.2	Exemptions and deductions: Transfer or relocation costs	Section 10(1)(nB)	Chapter 6.18.2: Employment: Relocation benefits
13.5.7	Exemptions and deductions: Study loans and bursaries	Section 10(1)(q)	Chapter 6.12: Bursaries and scholarships

Specialty Area II: Companies (Financing and Small Business)

Dividends and Dividends Tax (Chapter 16)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
16.1.1	General: Gross income <i>(excluding the discussion pertaining to source and foreign dividends)</i>	Section 1 (paragraph (k) of the “gross income” definition)	Chapter 4.14: Dividends
16.1.2	General: Exempt dividends <i>(excluding the discussion)</i>	Section 10(1)(k)(i) (excluding all provisos)	Chapter 6.9 (opening): Dividends <i>(light review only)</i>

	<i>pertaining to foreign dividends)</i>		
16.1.3	General: Dividends tax	Section 64E(1)	Chapter 18.2: Dividends tax
16.7 (opening)	Dividends tax	No tax act section reading required	Chapter 18.2: Dividends tax
16.7.1	Dividends tax: Overview	No tax act section reading required	Chapter 18.2: Dividends tax
16.7.2	Dividends tax: Dividends tax definitions (<i>excluding the discussion relating to foreign dividends and regulated intermediaries</i>)	Section 64D (definitions of “beneficial owner” and “dividend” excluding paragraph (b))	Chapter 18.3: Levying of dividends tax (<i>excluding dividends in specie and debt owed to a company</i>)
16.7.3	Dividends tax: Levy of Dividends Tax (<i>excluding the discussion relating to foreign dividends, dividends in specie, pre-2012 1 April dividends and the STC</i>)	Section 64E(1) and (2)(excluding (b))	Chapter 18.3: Levying of dividends tax (<i>excluding dividends in specie and debt owed to a company</i>)
16.7.7	Dividends tax: Exemptions (<i>focus solely on dividends paid to South African companies, spheres of government, public benefit organisations and retirement funds</i>)	Section 64F(1)(opening), (a), (b) and (c)	Chapter 18.5.1: Exemption from dividends tax in respect of dividends other than dividends in specie (<i>focus solely on dividends paid to South African companies, spheres of government, public benefit organisations and retirement funds</i>)
17.6.9	Dividends tax: Withholding tax (<i>excluding any discussion relating to regulated intermediaries, STC and tax treaties</i>)	Section 64G(1)(excluding (a) and (b)), (2)(excluding (c))	Chapter 18.7.1: Withholding by companies declaring and paying dividends

Interest, Financing & Financial Instruments (Chapter 17)		
Haupt	Tax Act Sections	Alternative Reading: Silke

Chapter No.	Chapter Title		
17.1	Overview	No tax act section reading required	Chapter 23.1: Introduction
17.2.1	General provisions: Interest income <i>(excluding the discussion relating to source of interest)</i>	No tax act section reading required	Chapter 23.2: Interest-bearing instruments – An overview
17.2.2	General provisions: Interest expenditure	No tax act section reading required	Chapter 7.10.8: Interest
17.3.1	Section 24J: General:	No tax act section reading required	Chapter 23.2.3: Definitions and interpretation
17.3.2	Interest accrued	Section 24J(3) <i>(review lightly)</i>	Chapter 23.2.1.2: Inclusion in gross income and deduction from income
17.3.3	Interest incurred	Section 24J(2) <i>(review lightly)</i>	Chapter 23.2.1.2: Inclusion in gross income and deduction from income

Small and Micro Business Relief

Small Business Corporation (Chapter 7 and 9)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
7.13	Small Business Corporations	Section 12(1) and (1A)	Chapter 9.3.4: Small business corporations
9.16	Small Business Corporations <i>(excluding any discussion relating to collective investment schemes, section 10(1)(e) companies, co-operatives venture capital companies, friendly societies or personal service provides as defined in the fourth schedule)</i>	Section 12E(4)(excluding (ii)(bb) through (ii)(gg) and (iv) of the “small business corporation” definition)	Chapter 16.4: The taxation of a small business corporation

Appendix A	6 of Tax Table and Rates	No tax act section reading required	Chapter 16.4: The taxation of a small business corporation
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Turnover Tax for Micro Business (Chapter 26)			
Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
26.1	Introduction	No tax act section reading required	Chapter 24.1: Introduction
26.2	Income tax act (see also 6 of Tax Tables and Rates (Appendix A))	Section 48 Section 48A Section 48B(1) Paragraph 5 of Schedule I to Rates and Monetary Amounts and Amendment of Revenue Laws (Rates of normal tax)	Chapter 24.1: Introduction
26.3 (opening)	The Sixth Schedule	No tax act reading required	Chapter 24.1: Introduction
26.3.1	Qualifying turnover	No tax act reading required	Chapter 24.4: Qualifying turnover
26.3.2	Qualifying turnover limit	No tax act reading required	Chapter 24.4: Qualifying turnover
26.3.5	Exclusions from taxable turnover	No tax act reading required	Chapter 24.4: Qualifying turnover
26.3.6	Investment income	No tax act reading required	Chapter 24.8.2: Investment income of companies
26.3.9	Professional services	No tax act reading required	Chapter 24.5.2.2: Investment income and professional service limitation
26.4	Exempt income – Micro business	Section 10(1)(zJ)	Chapter 24.3: Interaction of the Sixth Schedule with other taxes
26.5	Dividends tax – Micro business	Section 64F(1)(h)	Chapter 24.3: Interaction of the Sixth Schedule with other taxes
26.7	VAT – Micro Business (<i>focus solely on the initial paragraph</i>)	No tax act section reading required	Chapter 24.3: Interaction of the Sixth Schedule with other taxes

Specialty Area III: Tax Administration (Withholding)

Employees' Tax and Provisional Tax (Chapter 15)

Haupt		Tax Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
15.1	General	No tax act section reading required	Chapter 13.1: Introduction Chapter 14.1: Introduction
15.2.1	Employees' Tax: General	Part II of the 4 th Schedule (<i>lightly review</i>)	Chapter 13.1: Introduction
15.2.2	Employees' Tax: Fourth Schedule	Paragraphs (2)(1) of the 4 th Schedule Paragraph 7 of the 4 th Schedule	Chapter 13.5: Employee's tax
15.2.3	Employees' Tax: Late payment penalty	Paragraph 6(1) of the 4 th Schedule Section 213(1) of the Tax Administration Act	Chapter 13.11.2: Obligation to deduct and pay over tax
15.2.5	Employees' Tax: Definitions (<i>excluding discussions relating to holders of public office, section 8B and 8C shares and section 10(1)(k) dividends</i>) and (<i>light review of the employer, employee and labour broker definitions</i>)	Paragraph 1 (definitions of "employer", "employee" and "labour broker") (<i>light review</i>) Paragraph 1 (the definition of "remuneration" excluding (c), (d), (e), (f) and (g)) of the 4 th Schedule	Chapter 13.2: Remuneration Chapter 13.3: Employee (<i>focus solely on the 4th Schedule provisions listed</i>) Chapter 13.4: Employer (<i>focus solely on the 4th Schedule provisions listed</i>)

15.2.6	Employees' Tax: Motor vehicles and travel allowance (see also Chapters 13.3.3 and 13.4.5)	Section 1 (paragraphs (cA) and (cB) of the "remuneration" definition)	Chapter 11.3.1: Specific allowances (<i>focus solely on Employees' tax</i>)
15.2.7	Employees' Tax: Independent contractor	Section 1 (amounts not included under (ii) at the close of the "remuneration" definition)	Chapter 13.8.1: Independent contractors
15.2.8	Employees' Tax: Case study – independent contractor	No tax act section reading required	Chapter 13.8.1: Independent contractors
15.2.9	Employees' Tax: Determination of employees' tax	Paragraph 2(4) of the 4 th Schedule	Chapter 13.5: Employees' tax

	<i>(excluding any discussion relating to insurance premiums and lump sums)</i>		Chapter 14.5: Amount and rate of provisional tax to be paid
15.2.10	Employees' Tax: Directors of private companies <i>(excluding any discussion relating to former 11C of the 4th Schedule)</i>	Paragraph 1 ((g) of the "employee" definition)	Chapter 13.10: Directors of public companies
15.4.1	Provisional Tax: General <i>(limited to natural persons and companies)</i>	Paragraph (1) ((a), (b) and the exclusion of (dd)(B) of the "provisional taxpayer" definition) of the 4 th Schedule Paragraph 17 of the 4 th Schedule <i>(review lightly)</i> Paragraph 19 if the 4 th Schedule Section 22(2)(a) of the Tax Administration Act	Chapter 14.1: Introduction) Chapter 14.2.1: Who is a provisional taxpayer? Chapter 14.3: Estimates of taxable income for the first and second provisional tax payments
15.4.2	Provisional Tax: Provisional taxpayers other than companies	Paragraph 21(1) of the 4 th Schedule	Chapter 14.4.1: Persons other than companies
15.4.3	Provisional Tax: Provisional taxpayers – companies <i>(excluding any discussion of foreign tax rebates and labour brokers)</i>	Paragraph 23 (excluding the less amounts of (i) and (ii)) of the 4 th Schedule	Chapter 14.4.2: Companies
15.5.1	Penalties and interest: First provisional tax payment	Section 23(d) Section 89bis Paragraph 27(1) of the 4 th Schedule	Chapter 14.7.1: 'Section 89bis(2) interest'
15.5.2	Penalties and interest: Second provisional tax payment <i>(lightly review)</i>	Paragraphs 20(2), (2A), (2B) and (2C) of the 4 th Schedule <i>(lightly review)</i>	Chapter 14.7.3: Penalty – Year-end (second payment) estimate inadequate

15.5.3	Penalties and interest: Two-tier system penalty (<i>lightly review remission of penalty</i>)	Paragraph 20(1) of the 4 th Schedule	Chapter 14.7.3: Penalty - Year-end (second payment) estimate inadequate
15.5.4	Penalties and interest: Third provisional tax payment (<i>excluding the discussion relating to reduction of interest</i>)	Section 89quat(1)(definition of "credit amount") and (2)	Chapter 14.7.2: 'Section 89quat' interest
15.5.5	Penalties and interest: Prescribed rate of interest (<i>lightly review</i>)	Section 1 (definition of "prescribed rate of interest") (<i>lightly review</i>)	Chapter 14.7.1: 'Section 89bis(2) interest' Chapter 14.7.2: 'Section 89quat' interest
15.7	End of Chapter Example	No tax act section reading required	Chapter 14.8: Summary of provisional tax

Core Pillars: Value-added Tax

Value-Added Tax (Chapter 30)			
Haupt		VAT Act Sections	Alternative Reading: Silke
Chapter No.	Chapter Title		
30.1 (opening)	Introduction	No tax act section reading required	Chapter 32.1: Introduction
30.1.1	Introduction: VAT in a nutshell	No tax act section reading required	Chapter 32.2: VAT in perspective
30.1.2	Introduction: Practical application	No tax act section reading required	Chapter 32.3 Opening: Calculation of VAT
30.2.1	Definitions: Tax	VAT Section 1 (definition of "tax")	Nil from Silke
30.2.2	Definitions: Output tax	VAT Section 1 (definitions of "output tax" and "tax fraction") VAT Section 7(1) (<i>lightly review</i>) VAT Section 10(1) and (2)(excluding the proviso)	Chapter 32.4: The basics of output tax Chapter 32.5: The levying of output tax Chapter 32.6 (opening): Output tax – Supply of goods or services
30.2.3	Definitions: Input tax (<i>excluding the tax fraction of repossessed goods</i>)	VAT Section 1 (definition of "input tax" excluding paragraph (c))	Chapter 32.20 (opening): The determination of input tax (<i>lightly review</i>)

30.2.4	Definitions: Person <i>(lightly review)</i>	VAT Section 1 (definition of “person”) <i>(lightly review)</i>	Chapter 32.6.3: Vendor <i>(lightly review)</i>
30.2.5	Definitions: Enterprise <i>(focus solely on the discussion within the subparagraphs listed in the right column)</i>	VAT Section 1 (definition of “enterprise” excluding paragraph (b) as well as proviso (ii), (vi), (viii), (x), (xi), (xii))	Chapter 32.7.1: Enterprise or activity carried on continuously or regularly Chapter 32.7.3: Specifically included in the definition of ‘enterprise’ Chapter 32.7.4: Specifically excluded from the definition of an ‘enterprise’ <i>(in terms of all Chapter portions, solely focusing on the VAT provisions listed)</i>
30.2.9	Definitions: Invoice	No tax act reading required	Chapter 32.18: Tax invoices <i>(review lightly)</i>
30.2.10	Definitions: Consideration <i>(excluding the discussion of donations)</i>	VAT Section 1 (definition of “consideration”)	Chapter 32.7.2: Goods or services are supplied for a consideration
30.2.13	Definitions: Supply	VAT Section 1 (definition of “supply”)	Chapter 32.6.1: Supply
30.2.14	Definitions: Goods <i>(excluding the discussion relating to the sale of goodwill)</i>	VAT Section 1 (definition of “goods”)	Chapter 32.6.2.1: Goods
30.2.16	Definitions: Services	VAT Section 1 (definition of “services”)	Chapter 32.6.2.2: Services
30.2.17	Definitions: Vendor	VAT Section 1 (definition of “vendor” excluding the proviso)	Chapter 32.6.3 (opening): Vendor
30.3.1	Registration: Registration <i>(excluding any discussion relating to section 15(2B) cash invoice vendors and going concern)</i>	VAT Section 23(1), (3)(excluding (a), (AA) and (BB) of (b) and (c))	Chapter 32.6.3.1: Registration as a vendor – Compulsory registration Chapter 32.6.3.2: Registration as a vendor: Voluntary registration
30.3.5	Registration: Category of vendor <i>(excluding any discussion relating</i>	VAT Section 27(1)(excluding Category D and E vendors), (2)(a) and (b) and (3)	Chapter 32.3.2: Tax periods <i>(excluding any discussion relating to Category E vendors)</i>

	<i>to Category E vendors)</i>		
30.5.1	Time & Value of Supply: Time of supply – general rule <i>(excluding any discussion relating to section 9(2) connected person supplies)</i>	VAT Section 9(1)	Chapter 32.15.1: Time of supply – General rule
30.5.2	Time & Value of Supply: Value of supply – general rule – s10(1) to (3)	VAT Section 10(1), (2)(excluding the proviso) and (3)	Chapter 32.16.1: Value of the supply – General rule
30.6 (opening)	Zero-rating	VAT Section 11(1) and (2) <i>(lightly review)</i>	Chapter 32.10 (opening): Output tax – Zero-rated supplies
30.6.1	Zero-rating: Export of goods <i>(excluding any discussion relating to customs controlled areas and export incentive schemes)</i>	VAT Section 1 (definitions of “exported”, “foreign-going ship” (excluding (b) and “foreign-going aircraft” (excluding (b))) VAT Section 11(1)(a)(excluding the provisos) and (3)	Chapter 32.10.1: Zero-rated supply – Exported goods (excluding 32.10.1.4) <i>(solely focusing on the VAT provisions listed)</i>

30.7.1	Exempt supplies: General – s12	VAT Section 12 <i>(lightly review)</i>	Chapter 32.11: Output tax – Exempt supplies
30.7.2	Exempt supplies: Residential accommodation in a dwelling <i>(excluding any discussion of employer lodging)</i>	VAT Section 12(c)(i)	Chapter 32.11.3: Exempt supply – Accommodation <i>(excluding any discussion of employer lodging)</i>
30.7.4	Exempt supplies: Transport by road or railway	VAT Section 12(g)	Chapter 32.11.4: Exempt supplies – Other <i>(focusing solely on transport)</i>
30.8.1	Financial services: General	VAT Section 2(1)(paragraphs (a) through (f)), (2)(definitions of “cheque”, “currency”, “debt security”, “equity security”, and “participatory security”) VAT Section 12(a)	Chapter 32.11.1: Exempt supply – Financial services <i>(solely focusing on the VAT provisions listed)</i>

30.9.1	Imported Goods and Services: Import of goods – s13	VAT Section 7(1)(b) VAT Section 10(2B) VAT Section 13(1) and (2)	Chapter 32.8: VAT levied – Importation of goods
30.10	Accounting Basis <i>(excluding the discussion relating to section 15(2B))</i>	VAT Section 15(1) VAT Section 15(2)(opening) and (b) and (2A) <i>(lightly review both)</i>	Chapter 32.3.1: The accounting basis
30.11	Calculation of VAT payable <i>(focus solely on the discussion within the subparagraphs listed in the right column and the examples)</i>	VAT Section 16(1)(excluding the proviso) VAT Section 16(2)(a) through (c) and (g) <i>(lightly review)</i> VAT Section 16(3)(opening) and (a)(iii)	Chapter 32.4: The basics of output tax
30.12	Input Tax <i>(excluding any discussion relating to second-hand goods)</i>	VAT Section 1 (definition of “input tax” excluding paragraph (c)) VAT Section 16(3)(opening) and (a)(iii)) VAT Section 16(5) VAT Section 44(3) and (4) <i>(lightly review both)</i>	Chapter 32.17 (opening): Basics of input tax Chapter 32.3.5 (Refunds)
30.12.1	Input Tax: Permissible input deductions	VAT Section 17(1)(opening) and proviso (i))	Chapter 32.20 (opening): The determination of input tax <i>(focus solely on the VAT provisions listed)</i> Chapter 32.20.1 – Turnover-based method <i>(focus solely on the VAT provisions listed)</i>
30.12.2	Input Tax: Prohibited input deductions <i>(focus solely on the discussion within the subparagraphs listed in the right column and the examples)</i>	VAT Section 17(2)(a)(but not proviso (iii), (v), (vi), (vii), (viii) and (ix)) VAT Section 17(2)(b) and (c)(but not proviso (iii))	Chapter 32.2: Input tax – Denial of input tax <i>(focus solely on the discussion within the subparagraphs listed in the left column and the examples)</i>
30.14	Tax Invoices, Credit Notes, Debit Notes <i>(excluding the discussion relating</i>	VAT Section (definitions of “entertainment” and “motor car”) VAT Section 20(1) (4), (5) and (6) <i>(lightly review all)</i>	Chapter 32.18: Tax invoices Chapter 32.19: Debit notes and credit notes

	<i>to recipient-created tax invoices)</i>	VAT Section 21(1) through (3) (<i>lightly review all</i>)	
30.23	Prices to include VAT	VAT Section 64(1) VAT Section 65 (excluding the provisos)	Nil from Silke

Collateral Tax Areas

As noted at the beginning of this syllabus, the above areas have been prescribed solely to obtain a light understanding and for general concepts. Students should be aware of these charges and roughly when they apply in the context of the tax system as a whole.

Donations Tax		
Haupt		Alternative Reading: Silke
Chapter No.	Chapter Title	
27.1	Introduction	Chapter 26.1: Introduction
27.2	Levy of donations tax	Chapter 26.2: Levying of donations tax
27.3	Definitions	Chapter 26.3.2: Donation
27.6	Exemptions	Chapter 26.7: Exemptions
27.7	Payment	Chapter 26.10: Payment and assessment of tax

Estate Duty		
Haupt		Alternative Reading: Silke
Chapter No.	Chapter Title	
28.1	General	Chapter 30.1: Introduction
28.2	The Estate Duty Act	Chapter 30.2: Calculation of the dutiable amount and the estate duty payable
28.3.1	What constitutes an estate?	Chapter 30.2: Calculation of the dutiable amount and the estate duty payable
28.3.2	Property	Chapter 30.3: Property
28.6	Section 4A abatement	Chapter 30.6.16: Abatement of R3 500 000

Transfer Duty		
Haupt		Alternative Reading: SARS Transfer Duty Guide (on the SARS website)
Chapter No.	Chapter Title	
31.1	Introduction	Chapter 7.2: Rates of duty Chapter 7.3.1: General rule

		Chapter 8.2.21: Taxable supply of goods to the person acquiring property
31.2	Definition of property	Chapter 2.5 (opening): "Property" Chapter 2.5.1: Introduction
31.4	Transaction	Chapter 2.1: Introduction Chapter 2.3: "Transaction"
31.5	Acquired	Chapter 2.2: Acquisition Chapter 2.3 (opening): "Date of acquisition" Chapter 2.3.1: General rule

Securities Transfer Tax		
Haupt		Alternative Reading: Securities Transfer Tax
Chapter No.	Chapter Title	
32.1	Introduction	Securities Transfer Tax as described under the "Types of Tax" on the SARS website
32.2	Securities Transfer Tax (opening)	
32.2.1	Payment of tax	