

TAX EXEMPTION UNIT



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Office
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Reference *
RG 0035/09/04

PBO File No. *
930 008 066

Date
8 September 2004

Mr. DF Theron
Fisher Hoffman PKF
PO Box 899
WELLINGTON
7654

South African Revenue Service

SARS: TEU
Pro-Equity Court
1250 Pretorius Street
Hatfield, 0028

PO Box 11955
Hatfield, 0028

Switchboard: (012) 422 8800
SARS online: www.sars.gov.za
E-mail: teu@sars.gov.za

*Please quote our reference numbers in
your correspondence with TEU.

Dear Sir

**EXEMPTION FROM TAXES AND DUTIES AND APPROVAL IN TERMS
OF SECTION 18A: MIQLAT**

We write with reference to your application for exemption from income tax.

1. It is confirmed that:-
 - 1.1 the association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.
 - 1.2 the public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act;
 - 1.3 donations by or to the public benefit organisation are exempt from donations tax in terms of section 56(1)(h) of the Act;

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- 1.4 bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.
 - 1.5 in terms of section 4(1)(f) of the Stamp Duties Act, 1968, any instrument which is executed by or on behalf of the public benefit organisation is exempt from stamp duty, if the duty thereon would be legally payable and borne by the public benefit organisation, and
 - 1.6 the public benefit organisation is exempt from the payment of the skills development levy in terms of section 4(c) of the Skills Development Levies Act, No. 9 of 1999.
2. Kindly note that the relevant exemptions are subject to the following conditions:
- 2.1 Annual returns of income be submitted to the Tax Exemption Unit, together with financial statements and supporting documentation which must include full particulars of the receipts issued in respect of tax deductible donations in terms of section 18A and how these funds were expended;
 - 2.2 The following information must be given on the tax deductible receipts issued:
 - 2.2.1 the reference number of the public benefit organisation, issued by the Commissioner for the purposes of this section; (The reference number quoted on this letter.)
 - 2.2.2 the date of the receipt of the donation;
 - 2.2.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;
 - 2.2.4 the name and address of the donor.

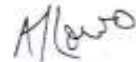
- 2.2.5 the amount of the donation or the nature of the donation (if not made in cash); and
- 2.2.6 a certification to the effect that the receipt is issued for the purposes of section 18A of the Income Tax Act, 1962, and that the donation has been or will be used exclusively for the object of the public benefit organisation concerned.
- 2.3 The public benefit organisation must, formally amend the founding document to comply with the provisions of section 30 of the Act.
- 2.4 The exemptions approved in paragraph 1 above, are subject to review on an annual basis upon receipt of the financial statements.
- 2.5 Within 90 days from date hereof the following information relating to the public benefit organisation must be submitted to this office:
 - 2.5.1 PAYE reference number;

If not registered for the above, please furnish reasons.

- 2.6 Register in terms of section 13(5) of the Non-Profit Organisations Act, 1997, within a period of 12 months.

Sincerely


Miss RM Gomes
Tax Exemption Analyst


Mr. A Kowo
The Head: Tax Exemption Unit