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## **MEDIA STATEMENT**

**Publication of the 2021 Draft Tax Bills and other regulations for public comment:**

**2021 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill, 2021 Draft Financial Sector Levies Bill, Draft Regulations on amounts for purposes of definition of retirement annuity funds, Draft Regulations on Unemployment Insurance Fund remuneration limit, and invitation to make submissions on sunset dates of certain tax incentives**

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The National Treasury and the South African Revenue Service (SARS) today publish, for public comment, the 2021 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill (2021 Draft Rates Bill), the 2021 Draft Financial Sector Levies Bill, the draft Regulations on amounts for purposes of definition of retirement annuity funds, draft Regulations on Unemployment Insurance Fund remuneration limit and invitation to make submissions on sunset dates of certain tax incentives.

The 2021 Draft Rates Bill, the Draft Regulations on amounts for purposes of definition of retirement annuity funds, the Draft Regulations on Unemployment Insurance Fund remuneration limit contains announcements made in Chapter 4 and Annexure C of the 2021 Budget Review that deal with changes to rates and monetary thresholds and increases of excise duties.

The 2021 Draft Financial Sector Levies Bill is aimed at imposing levies on the financial sector to fund the Prudential Authority and Financial Sector Conduct Authority for the costs of regulating financial institutions as a result of the implementation of the Twin Peaks regulatory system. Other Twin Peaks institutions referred are also funded in terms of the Financial Sector Regulation Act.

The Regulations on amounts for purposes of definition of retirement annuity funds and the Regulations on Unemployment Insurance Fund remuneration limit will be published in the Government Gazette after taking into account public comments to be received.

In addition, we publish a list of tax incentives that are scheduled to lapse upon reaching their respective sunset dates. Taxpayers are invited to make detailed submissions on the sunset dates of

these tax incentives, and why they should not be allowed to lapse upon reaching these dates. This information will be considered in determining the extent to which these tax incentives enhance efficiency, transparency and fairness in the business tax system, while facilitating economic growth through improved investment and competitiveness. In line with the policy intent highlighted in the 2020 and 2021 Budgets, government is reducing the number of tax incentives in the tax system.

The affected tax incentives and related Income Tax Act, 1962, provisions are listed in Table 1 below:

**Table 1: Tax incentives to lapse in 2022**

<b>Income Tax Act</b>	<b>Tax incentive description</b>	<b>Effective date</b>	<b>Sunset date</b>
<b>Section 12F</b>	Deduction in respect of airport and port assets	01/01/2001	28/02/2022
<b>Section 12DA</b>	Deduction in respect of rolling stock	01/01/2008	28/02/2022
<b>Section 13sept</b>	Deduction in respect of sale of low-cost residential units on loan account	21/10/2008	28/02/2022
<b>Section 12O</b>	Exemption in respect of films	01/01/2012	01/01/2022

*Source: National Treasury*

After receipt of written comments, the National Treasury and SARS normally engage with stakeholders through public workshops to discuss the written comments on the draft bills. However, due to the national lockdown regulations as a result of the COVID-19 pandemic, further information will be provided on the manner and platform of public engagement for purposes of discussing the written comments. The Standing Committee on Finance (SCoF) and the Select Committee on Finance (SeCoF) in Parliament are expected to make a similar call later this year for public comment and convene public hearings on the draft bills before their formal introduction in Parliament. Thereafter, a response document on the comments received will be presented at the parliamentary committee meetings, after which the draft bills will then be revised, taking into account public comments and recommendations made during committee hearings, before they are tabled formally in Parliament for its consideration.

The 2021 Draft Rates Bill, 2021 Draft Financial Sector Levies Bill, the Draft Regulations on amounts for purposes of definition of retirement annuity funds and the Draft Regulations on Unemployment Insurance Fund remuneration limit can be found on the National Treasury ([www.treasury.gov.za](http://www.treasury.gov.za)) and SARS ([www.sars.gov.za](http://www.sars.gov.za)) websites. More general information underlying the changes in rates, thresholds or any other tax amendments can be found in the 2021 Budget Review, available on the National Treasury website.

The 2021 Draft Taxation Laws Amendment Bill and 2021 Draft Tax Administration Laws Amendment Bill, which contain the remaining tax proposals announced in the 2021 Budget Review, will be released for public comment during July 2021.

***Due date for public comments on the 2021 Draft Rates Bill, 2021 Draft Financial Sector Levies Bill, Draft Regulations and invitation to make submissions on sunset dates of certain tax incentives.***

National Treasury and SARS hereby invite comments in writing on the 2021 draft Financial Sector Levies Bill, 2021 Draft Rates Bill, the draft Notice on Regulations on amounts for purposes of definition of retirement funds, the draft Notice on Regulations on Unemployment Insurance Fund remuneration limit. Please forward written comments to the National Treasury's tax policy depository at [2020AnnexCProp@treasury.gov.za](mailto:2020AnnexCProp@treasury.gov.za), and SARS at [acollins@sars.gov.za](mailto:acollins@sars.gov.za) by the close of business on **31 March 2021**.

Written submissions on the tax incentive sunset dates should be forwarded to [taxincentivereviews@treasury.gov.za](mailto:taxincentivereviews@treasury.gov.za), and comments on the 2021 Draft Financial Sector Levies Bill forwarded to [financial.policy@treasury.gov.za](mailto:financial.policy@treasury.gov.za) by the close of business on **31 March 2021**.

**ISSUED BY NATIONAL TREASURY ON 24 FEBRUARY 2020**