PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 25 NOVEMBER 2016

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ANNOUNCEMENTS

National Assembly

The Speaker

1. Guidelines and determinations

(1) The National Assembly Rules Committee, at its meeting of 16 November 2016 agreed, in terms of the Rules of the National Assembly (9th Edition) to the following guidelines and determinations:

Chapter 3: Presiding Officers and Members

(1) Removal from office of Speaker or Deputy Speaker (Rule 28)

(1) A notice of a motion to remove the Speaker or Deputy Speaker, as the case may be, must be given in the House or in writing on any other parliamentary working day;

(2) The notice of motion to remove the Speaker or Deputy Speaker must comply with the rules generally and those on notices of motion and may not contain statements, arguments or other matters not strictly necessary to make the proposed resolution intelligible;

(3) If the notice of motion relates to the removal of the Speaker or Deputy Speaker for alleged improper or unethical conduct, the motion must comply with Rule 85;

(4) A notice of motion given in the House to remove the Speaker or Deputy Speaker must be delivered during the time allocated to parties by the Programme Committee for members of political parties to give notices of motion;

(5) A member may propose an amendment to a motion to remove the Speaker or Deputy Speaker provided it complies with the rules for amendments to motions generally;

(6) The Speaker may not preside in the House when a motion to remove the Speaker is debated or voted on; and the Deputy Speaker may not preside when a motion to remove the Deputy Speaker is debated or voted on.

(2) Appointment and responsibilities of whips (Rule 33(3)(a))

(1) A joint request to the Speaker by political parties which do not qualify for a whip to have one or more whips appointed to represent them or to alter a previous appointment in terms of Rule 33(3)(a) must –

(a) contain the name(s) of the member(s) nominated for appointment as a whip; and

(b) be endorsed / signed by the leaders or duly authorised persons of the relevant parties affected by such request / nomination.

(2) In considering a request to appoint a whip or to alter an appointment previously made in terms of Rule 33(3)(a), the Speaker must ensure that –

(a) the member nominated for appointment as a whip is a member of one of the relevant parties affected by such nomination;

(b) the parties jointly are entitled to the number of whips nominated for appointment, in line with the formula agreed to by the Rules Committee in terms of Rule 33(1); and

(c) the request and nomination have been endorsed [signed] by the leaders or duly authorised persons of the parties affected by such request/nomination.

(3) Once the Speaker is satisfied that the request and nomination complies with the rules and guidelines of the House, the Speaker must appoint the whip(s) and thereafter publish the name(s) of the appointed whip(s) in the ATC in terms of Rule 33.

(3) Rule 33(1): **Determination of the number of whips to be allocated to parties represented in the House.**

(1) The current formula of 1 whip to 6 members is retained. The NA Rules Committee will determine the formula for appointing whips for each Parliament.

Chapter 6: Decision of Questions

Rules 103 and 104 require predetermined procedures by the Speaker to be followed for electronic voting and manual voting respectively.

(1) Electronic Voting

(a) In terms of the Rules, every member present in the Chamber when the question is put with the doors barred must vote or record an abstention.

(b) The presiding officer will request members to be in their allocated seats before voting can commence.

(c) Once the electronic system has been activated, the Presiding officer will direct members to indicate whether they are ‘for’, ‘against’ or ‘abstain from’ the question by pressing the relevant button on the electronic system.

(d) Members press the yes, no or abstain button on the electronic consoles at their seats when directed by the Presiding officer.

(e) The Presiding officer announces when the voting is closed. If a member has experienced problems with the recording of their vote, they must draw the attention of the Chair and may in person or through a whip of his or her party inform the Secretary at the table of his or her vote.

(2) Manual Voting Procedure (When electronic system is inoperable)

(a) When a question is put to the House and a member calls for a Division, the presiding officer may determine that a manual vote will take place.

(b) The Presiding officer will announce that the bells will be rung for five minutes in order to alert members to a call for a division having being made.

(c) After the five minutes have elapsed, the doors of the Chamber will be barred / locked.

(d) The presiding officer will request members to be in their allocated seats before voting can commence.

(e) The presiding officer will request members in favour of the question to raise their hands.

(f) The presiding officer appoints party whips as tellers and directs them to count the number of members that are in favour of the question.

(g) Thereafter the same procedure is followed with members against the question and members abstaining, in that order.

(h) Whips are directed to submit the results of the manual vote to the Secretary at the Table.

(i) A member who wishes to vote against the party vote may inform the Table staff accordingly in person.

(j) The Minutes of Proceedings will only indicate how parties voted and members' names would not be reflected as is done when an electronic voting system is used.

Chapter 10: Guidelines for Questions (Rule 134(4) and (6))

(1) Editing of Questions (Rule 134(6))

(a) Whenever questions are edited this is done under the authority of the Speaker and in accordance with the guidelines as approved by the Rules Committee.

(b) When a question is edited in terms of rules and guidelines, the member who submitted the question, or the party to which the member belongs, must be consulted before the edited question is published.

(2) Object of Questions

(1) The purpose of parliamentary questions is to:

(a) obtain information; and/or

(b) press for action on matters related to the official responsibility of Cabinet members.

(3) General Form and Content of Questions

(1) A question must:

(a) deal with only one substantive matter;

(b) comply with the Constitution, the law and the Rules;

(c) be subject to the rule of anticipation; and

(d) not contain unbecoming or offensive expressions.

(2) A question is not permissible which –

(a) contains offensive expressions;

(b) casts a reflection on the conduct or character of persons whose conduct may only be challenged in a substantive motion;

(c) anticipates discussion of matters on the Order Paper or that is scheduled to be placed on the Order Paper within a reasonable time;

(d) request details or deal with the merits of any matter on which a judicial decision in a court of law is pending;

(e) repeats, in substance, questions already answered in that annual session, or that is awaiting an answer, or that the Minister has refused to answer or that is a class of question substantively the same as another. However, a similar question different in some respects may be asked and the same question may be put to different members of the Cabinet to the extent that they have a responsibility in terms of their portfolios;

(f) criticises decisions of either House of Parliament;

(g) publishes any name or statement not strictly necessary to make the question intelligible, unless the Cabinet member has used the name or statement or it has been cited in a charge before a court; and

(h) is of a statistical nature when put as a question for oral reply by asking for more than two figures (dates are not regarded as statistical).

(3) Questions may not –

(a) express an opinion or seek the expression of one;

(b) contain arguments, inferences or imputations;

(c) contain unnecessary descriptive words or phrases added to or substituted for a person's name (epithets);

(d) contain rhetorical, controversial, ironical or offensive expressions; and

(e) contain extracts from newspapers or books, or paraphrases or quotations from speeches. The facts on which a question is based may be set out briefly, but the questioner is responsible for ascertaining the accuracy of the facts.

(4) In addition, Questions may not –

(a) only provide information;

(b) convey a particular point of view;

(c) constitute a speech, or be excessively long;

(d) refer to communications between an individual member (other than the questioner) and a Cabinet member;

(e) be based on a hypothetical proposition;

(f) seek an opinion on a question of law, such as an interpretation of a statute, an international document or a Cabinet member's own powers. However, it is in order to ask under what statutory authority a Cabinet member acted in a particular instance;

(g) seek a solution to a legal question;

(h) raise questions which would require an impractically extensive answer;

(i) seek information on matters of past history for the purposes of argument;

(j) be trivial, vague or meaningless; or

(k) be a repeat of other questions with some trivial variations.

(5) While it is the basic tenet of all questions that a question should be related to a Cabinet member's official responsibility, the following criteria are applied:

(a) Requests for information are not usually accommodated in respect of matters falling under local or other statutory authorities;

(b) It is not in order to ask for information about matters that are the responsibility of bodies or persons not responsible to the Government, such as banks, the Stock Exchange, employers' organizations and trade unions;

(c) Questions relating to semi-state bodies are restricted to matters for which Cabinet members are responsible by statute or other legislation. However, questions on national statistics in relation to these bodies are in order;

(d) Questions may not refer to matters under consideration of a parliamentary committee or deal with matters within the jurisdiction of the chairperson of a parliamentary committee or a House of Parliament;

(e) Questions may not be asked about the action of a Cabinet member for which he or she is not responsible to Parliament;

(f) It is not in order to put a question to a Cabinet member for which another Cabinet member is more directly responsible, or to ask a Cabinet member to influence a colleague;

(g) Questions suggesting amendments to a Bill before the Assembly or in Committee are inadmissible unless such amendments may only be moved by a Cabinet member;

(h) It is inadmissible to ask a Cabinet member whether statements in the press or by private persons or unofficial bodies are accurate, or to call for comment on statements by persons in other countries (unless the statement is contained in a message from another government);

(i) Questions may not seek information about the internal affairs of other independent countries, unless such countries form part of a common organisation through which the information is obtainable;

(j) It is permissible to ask questions calling on Cabinet members to grant relief to South African citizens in foreign countries who are under arrest or to protect persons or companies from discrimination in foreign countries; but questions on the actions of foreign states in refusing entry to South African citizens have not been allowed;

(k) Questions that require information that is readily accessible are not allowed; and

(l) It is in order to ask for a Cabinet member's intentions with regard to matters for which that Cabinet member is officially responsible and to ask for administrative or legislative action in regard to such matters.

(6) The form and content recorded herein may be further developed by Rulings of the Speaker with regard to any matter not recorded herein.

(4) Form and Content of Questions to the President

(1) While the above criteria on form and content apply to questions generally, some additional specific criteria have been established in respect of questions to the President.

(2) The President represents the executive authority of the Republic, and while delegating these responsibilities to members of the Cabinet, he or she does not abdicate overall responsibility. The President performs the powers and functions and the executive authority within a unitary state.

(3) Questions to the President may relate to –

(a) Matters in respect of the powers and functions of the President and the executive authority of the Republic that he represents;

(b) Matters for which the Government is responsible – this may include line function responsibilities of Ministers where they give rise to issues of national or international concern;

(c) Broad matters of national or international importance that are topical;

(d) Matters of provincial or local concern to the extent that such questions give effect to the unitary nature of the Constitution of the RSA, 1996, that provides for intervention in the affairs of provincial and local spheres of government;

(e) The granting of honours;

(f) The dissolution of Parliament;

(g) The definition of the responsibilities of Cabinet members;

(h) Statements made by Cabinet members (not Deputy Ministers, who are not members of the Cabinet) on public occasions and whether such statements represent the policy of the Government; and

(i) A speech made by the President on a public occasion outside Parliament and whether it represents Government policy.

(5) Guidelines on Criteria for Questions to the Deputy President

(1) While the President is assisted by the Deputy President in the execution of the functions of government, the President allocates responsibilities to the Deputy President from time to time. Questions to the Deputy President must relate to these responsibilities, and a list of these responsibilities must be maintained for each Parliament, in accordance with information officially received from the Leader of Government Business in terms of the Rules.

(6) An Authorised Representative Rule 137(7)

(a) The person designated by a party to deal with its questions is deemed to be the authorised representative;

(b) The party must advise the Speaker in writing of its authorised representative at the beginning of each Parliament;

(c) Such a person liaises with the Speaker with regard to all matters related to the questions of the members of its party; and

(d) The Speaker must also liaise with the relevant representative in the event that any matters arise with regard to the questions of the members of the relevant party.

(7) Party order for questions (Rule 134(4))

(1) The current practice is retained.

(8) Ministerial clusters for questions (Rule 138 (1))

(1) The current practice remains unchanged until further notice.

(9) System to monitor questions (Rule 136(1))

(1) Rule 136 provides that the Speaker, in consultation with the Rules Committee, must establish a system to monitor and report regularly to the House on questions that have been endorsed as unanswered on the Question Paper in terms of Rules 143(2), 144(5) and 146(3).

(2) The following system to monitor and report on questions that have been endorsed as unanswered is proposed:

(a) The Speaker submits a written report every quarter to the Rules Committee on questions endorsed on the Question Paper as "Unanswered" in terms of the Rules, the period of time over which they have appeared as endorsed, the responsible Ministers and any communication sent or received by the Speaker in that regard.

(b) The Rules Committee must set up a permanent subcommittee which must meet at least quarterly to receive and consider the Speaker's reports.

(c) The subcommittee would be composed of the number of members and party representation as determined by the Rules Committee.

(d) The subcommittee would be chaired by the Deputy Speaker or other designated presiding officer and also include, in its membership, the Leader of Government Business or a designated representative.

(e) The subcommittee would receive and engage with the Speaker's report and invite relevant Ministers to respond on why questions to them have been endorsed as "Unanswered".

(f) The subcommittee would then report within a specified time to the Rules Committee on its findings in each case and any recommendations to address identified challenges or concerns. The subcommittee's report should specifically include information on responses it has received from the executive.

(g) The Rules Committee would then consider the subcommittee's report and it would, in accordance with Rule 136, report to the House on the outcome of the monitoring process, including any findings and recommendations with a view to strengthening effective executive accountability to the Assembly. Appropriate recommendations could be developed by the Rules Committee, responding to the circumstances in any particular case.

Chapter 12: Committee System

(1) The guidelines required for committee programmes and meetings in terms of the Rules are deferred for purposes of further consultation and discussion.

COMMITTEE REPORTS

National Assembly

1. Report of the Standing Committee on Finance on the Taxation Laws Amendment Bill [B17 – 2016] (National Assembly - section 77), dated 24 November 2016

The Standing Committee on Finance, having considered and examined the ***Taxation Laws Amendment Bill*** [B17 - 2016] (National Assembly- section 77), referred to it, and classified by the JTM as a Money Bill, reports the Bill with amendments [B17A– 2016].

1. The draft 2016 Taxation Laws Amendment Bill (2016 TLAB) was published by the National Treasury on 8 July 2016 for public comment. The National Treasury (NT) and SARS briefed the Standing Committee on Finance (Committee) on the TLAB on 24 August 2016. On 14 September 2016 the Committee held public hearings on the TLAB. On 21 September 2016, NT replied to key proposals made by stakeholders during the public hearings on the 2016 TLAB.

2. In addition to the above consultations on the TLAB, a second batch of the draft 2016 Taxation Laws Amendment Bill (2016 Second Batch TLAB) was published by NT for public comment. The 2016 Second Batch TLAB contained additional tax amendments relating, *inter alia*, to the Employment Tax Incentive (ETI) and the Learnership Tax Incentive (LTI). These incentives were subject to a review on their effectiveness in generating employment and the development of skills for purposes of considering their extension beyond 2016. Following the completion of the review, these incentives were extended through the amendments contained in the 2016 Second Batch TLAB.

3. Subsequent to the release of the 2016 Second Batch TLAB, National Treasury briefed the Committee on the ETI and LTI on 11 October 2016. On 26 October 2016, the Minister of Finance tabled the Taxation Laws Amendment Bill [B 17-2016] (TLAB) which included the additional amendments that were contained in the 2016 Second Batch TLAB. The public hearings on the ETI and the LTI were held on 11 November 2016.

4. In light of the above consultations, in particular the public hearings held on 11 November 2016 the Minister of Finance proposed amendments to the tabled 2016 TLAB in his letter to the Committee on 21 November 2016. The amendments include:

- The removal of the proposed R20 million cap on the amount an employer may claim per annum using the Employment Tax Incentive from 1 March 2017.
- A technical correction to adjust the effective date for the change to the definition of "remuneration" and the date of a related amendment in the Employment Tax Incentive Act from 1 October 2016 to 1 March 2017.

Employment Tax Incentive

5. In January 2014, the ETI was introduced into the Income Tax Act. The aim of this incentive was to increase the overall employment and the level of job experience for youth. The incentive operates as a cost sharing arrangement between government and the employer. Government (through the fiscus) shares the costs of employment for eligible workers aged between 18 and 29 that earn above the minimum wages earn between R1 000 and R6 000 per month.

6. The NT reported to the Committee that the preliminary review of this incentive indicates that the impact of the incentive, although hard to assess at the moment due to lack of sufficient data, resulted in positive employment growth. No adverse consequences such as wage abuse,

displacement of older workers or disproportional benefits to labour brokers were, according to the NT, evidenced.

7. Given these results from the review, the ETI was extended and amended in the 2016 Second Batch TLAB. The main amendments were as follows:

- The extension of the ETI to 28 February 2019
- The introduction of an annual cap of R20 million on the claim allowed to each employer. The purpose of this cap was to improve the targeting of the incentive to smaller companies in order to limit the extent of redundancy losses through claims for jobs that would have been created in the absence of the ETI and as a mechanism to contain the monetary loss to the fiscus.
- Administrative and legislative clean-up of the definitional sections to clarify the value of claims and restriction of back-dated claims and roll-overs.

8. The various business groupings, employers and some labour representatives who appeared before the Committee during public hearing recommended the removal of the annual monetary cap of R20 million. During the Committee's public hearings a compelling case was made by some of these claimants that the proposed cap would come at the cost of higher levels of potential employment. This presents two options for the cap. These were to either increase the cap or remove it altogether. However, an increased cap would affect a handful of claimants, and would therefore be ineffectual.

9. After consideration of the above and further engagements with the interested parties, the Minister of Finance recommended that the Committee amends the 2016 TLAB to revert to the original design of the ETI by removing the proposed annual monetary cap of R20 million. SARS and the NT will monitor the affordability of the programme as an input to the fiscal framework. Should cost-containment of this programme be required, the imposition of a cap will be reviewed.

10. Furthermore, during the comments phase, it became apparent that the effective date of the amendments to the definition of "monthly remuneration" cannot be facilitated by payrolls in time to comply with the proposed amendment by 1 October 2016. It is therefore recommended that a later effective date of 1 March 2017. This change is purely technical in nature.

Learnership Tax Incentive

11. The LTI was introduced in 2002 to encourage skills development. The incentive operates by providing additional tax deductions for an employer in respect of formal, SETA-registered training programmes. The value of the incentive is the deduction of R30 000 on the commencement of a learnership agreement between an employer and an employee (plus R30 000 for every year successfully completed) and another R30 000 upon completion of the studies or training. These values increase by R20 000 if the learner is a person with a disability.

12. The NT reported to the Committee that its review of this scheme highlighted that its current design did not focus on a particular qualification level or agreement type. It targeted all sectors and skills levels equally. The LTI complements the overall skills strategy of the Department of Higher Education and Training (DHET). In updating the determination of the sub-frameworks that comprise the National Qualifications Framework (NQF), the DHET noted that the demand for occupational qualifications was greatest at NQF levels 1 to 6. This is also reflected in the DHET publication on scarce skills. Aligned with DHET policy priorities, NT's recommendations seek to encourage employers to train learners in those skill categories where demand is highest.

13. The NT proposed a more focused targeting of the LTI by prioritising agreements with learners who have basic to intermediate skills levels and qualifications (NQF levels 1 – 6 related agreements to receive a larger deduction). This policy proposal is in line with achieving the NDP goal of producing 30 000 artisans annually by 2030.

14. Amendments were not included in the initial 2016 TLAB as the review was still being completed. The amendments in the 2016 Second Batch TLAB cover the following aspects:

- The continuation of the LTI until 31 March 2022.
- Registered learnerships will still qualify for the incentive, however, agreements with learners that have basic to intermediate qualifications will be prioritised by providing a higher value of claims (see table below).

Table 2: Learnership Tax Inventive Targeting Proposal

	Qualification	**Proposed**	**Current**
Person without disability	NQF 1 – 6	R 40,000	R 30,000
	NQF 7 – 10	R 20,000	R 30,000
Person with disability	NQF 1 – 6	R 60,000	R 50,000
	NQF 7 – 10	R 50,000	R 50,000

15. Following the comments phase and the Committee's public hearing, no amendments needed to be made to the tabled 2016 TLAB in relation to the LTI

Use of Money Bills Amendment Procedure and Related Matters Act

16. The Money Bill Amendment Procedure and Related Matters Act, 2009, was used to effect the above tax amendments in the 2016 TLAB. As explained above, the Taxation Laws Amendment Bill, 2016 (TLAB) was tabled in Parliament on 26 October 2016. On 21 November 2016 the Minister of Finance requested the Committee to consider amendments to the Bill relating to the proposed caps on the Employment Tax Incentive scheme and the effective dates for amendments to definitions. Since the Bill had already been tabled in Parliament, any proposed amendments made or approved by the Committee must comply with the Money Bills Amendment Procedure and Related Matters Act, including sections 8 and 11 of the Act. The Chairperson therefore wrote to the Minister on 22 November 2016,

advising the Minister that the Committee accepted the proposed amendments. The Minister was therefore afforded an opportunity to comment on the proposed amendments, in addition to the reasons provided in the Minister's request of 21 November 2016. In the Minister's letter of 21 November, it was indicated that the removal of the cap is consistent with the government's inclusive growth objective and will avoid potential negative impacts on employment. SARS and NT committed to monitoring the affordability of the programme as an input into the fiscal framework and the cap will be reconsidered if cost containment is required. In a letter dated 24 November 2016, the Minister replied to the Committee Chairperson's letter dated 22 November 2016 to confirm his agreement with the Committee's decisions on the matter. The correspondence between the Minister and the Committee is attached.

17. Following the Committee public hearings on 11 November 2016, a draft response document to the TLAB was presented by the NT on 15 November 2016. This note provided the information to help inform the requirements in sections 8(5) and 11(3) of the Money Bills Amendment Procedure and Related Matters Act.

Removal of the R20 million cap

18. The proposed changes to the tabled version of the TLAB in relation to the cap on the Employment Tax Incentive reflect the outcome of the discussions on the potential impacts of the proposed cap on job creation initiatives. When the draft legislation was published on 25 September 2016, NT invited comments on the potential impacts in order to elicit inputs from affected employers. During the comments phase and the parliamentary hearings, representations were made by business groupings, claiming employers and the Federation of Democratic Unions of South Africa for the removal of the cap.

19. After consideration of the comments received and discussions with interested parties, the Minister of Finance proposed that the Committee amend the TLAB to revert to the original design of the ETI by removing the proposed cap.

Effective date amendment to the definition of "remuneration"

20. During the comments phase, it became clear that the proposed effective date for implementation of the change to the definition of "monthly remuneration" cannot be facilitated by payrolls in time to comply with the proposed amendment by 1 October 2016. The effective date has therefore been moved to the beginning of the next tax year (i.e. 1 March 2017). This is a purely technical change and it is intended to clarify the amount of remuneration that feeds into the calculation of the value of the incentive. It does not represent a change in policy design. Both the amendment itself and the move of the effective date would only have affected the precision of the monthly claims by employers. The change of date allows for greater precision, which lowers the risk of penalties and interest charged on incorrect claims. This does not form part of tax revenue. As a result, this amendment has no revenue implications.

Potential impact of the amendments

21. Section 11(3) of the Money Bills Act requires that the Committee ensure that the proposed amendment to the total amount of revenue raised is consistent with the approved fiscal framework and the Division of Revenue Bill; take into account principles of equity, efficiency, certainty, ease of collection; consider the composition of tax revenues, regional and international tax trends, and the impact on development, investment, employment and economic growth.

22. Section 8(5) requires that the Committee ensure that the proposed amendment is reasonable within the fiscal framework, including elements of revenue, expenditure and borrowing.

23. The only policy change is the removal of the proposed cap per employer. This would mean that this year's TLAB amendments become a pure extension of the existing scheme. This reversion to the current policy design means that there is minimal disruption to current practice. The postponement of the effective date for amendments to the definition of 'monthly remuneration' is purely administrative.

Tax Revenue Implications

24. According to NT, the removal of the proposed cap will affect tax revenues for the duration of the period of the extension of the ETI, namely tax years 2017/18 and 2018/19. Tax year 2016/17 is not affected, since the effective date for the intended cap was 1 March 2017. In terms of a more micro-assessment to estimate the tax revenue impact, NT informed the Committee that the latest claims data could be considered as a base for analysis. According to NT, had the proposed cap of R 20 million per employer been applied in the 2015/16 financial year, it would have affected the claims of 16 claimants and resulted in savings of revenue foregone to the amount of R 557 million.

25. NT further reported to the Committee that the estimated revenue that will be foregone due to the removal of the proposed cap would be R0.63 billion in 2017/18 and R0.67 billion in 2018/19. In each case it amounts to less than a percent of personal income tax (PIT) revenue and a negligible percentage of total tax revenue. This is further clarified in the table below.

Table 1: Revenue impact of an uncapped ETI claims for 2017/18 and 2018/19

Deviations to tax revenue estimates	**2017/18**	**2018/19**
Estimated revenue foregone		
R millions		
Lower bound	R 532	R 563
Upper bound	R 628	R 665
Relative size of impacts		
Percentage of total		
On Personal Income Tax revenue	0.11%	0.11%
On total tax revenue	0.05%	0.05%

26. The cap, according to NT, had been proposed, in the first place, as a measure to improve the cost-efficiency of the programme. The comments on the cap indicated to the Minister that this improvement in the efficiency of the programme would have come at the expense of the effectiveness of the programme, by limiting the potential for job creation. The Committee supported the removal of this cap in the interests of job creation.

27. The Parliamentary Budget Office (PBO) noted NT's comments on ETI to remove the cap of R20 million per employer. The PBO noted that although there has been a higher than anticipated take up of the incentive, it is of concern that take up is concentrated in a few industries and bigger firms. Given the lack of empirical evidence on the effectiveness of the ETI coupled with the concentration of use in certain sectors and big firms, introduction of the cap could, argued the PBO, improve cost-efficiency and broaden the use of the incentive to more industries and smaller firms if initiatives are put in place to inform and empower the said industries and smaller firms. The PBO recommended that the committee consider the use of a cap to mitigate misuse and dependence on the incentive. The amount of the cap can be assessed and set at a level that will not to stifle job creation on the already participating industries and firms.

28. The Committee required the PBO and NT to meet and report back to it. Following further consideration of the PBO's submission, the Committee unanimously decided to remove the cap. The Committee expects business to contribute far more to achieving the goals of the ETI and will seek to monitor any progress on this and any possible abuse of the scheme.

Other major proposals contained in the 2016 TLAB

29. The 2016 draft TLAB contained proposals to make amendments to the charging provisions of the Transfer Duty Act, 1949, the Estate Duty Act, 1955, the Income Tax Act, 1962, the Value Added Tax Act, 1991, the Skills Development Levies Act, 1991, the Unemployment Insurance Contributions Act, 2002, the Securities Transfer Tax Act, 2007 and the Mineral and Petroleum Resources Royalty Act, 2008. The reason for such amendments was to enable the Minister of Finance to change (whether it is for purposes of an increase or decrease) the tax rates in all the tax acts as early as is required in light of the country's fiscal needs at that time, albeit that such change would still be subject to Parliament passing the tax legislation that gives effect to the change within 12 months of the announcement by the Minister of Finance of a change in the tax rates.

30. All the relevant provisions have been amended to clarify that any rate change made by the Minister of Finance will come into effect on the date announced by the Minister of Finance subject to Parliament passing the legislation that gives effect to the rate change within 12 months of the date of the announcement of the rate change. This matter was put before the Office of the Chief State Law Advisor and a legal opinion was issued indicating this amendment is constitutional following the substitution of the words "unless" with the words "subject to".

Introducing measures to prevent tax avoidance (Estate Duty) through the use of trusts.

31. The 2016 draft TLAB included provisions to restrict the use of interest-free loans to trusts as a mechanism to avoid estate duty and donations tax. The second batch of the 2016 draft TLAB moved away from deeming the interest shortfall as income and instead treats that interest differential as a deemed donation in the hands of the lender. The revised proposals also provided specific exclusions for business transactions (such as trusts that operate in a manner similar to collective investment schemes), primary residences and trusts for the benefit of persons with disabilities. The deemed donation will also be eligible to be set off against the annual donations tax exemption. The Committee is in full support of any measures to combat tax avoidance and urges the NT to be tough on all such schemes.

Addressing the circumvention of rules dealing with employee based share incentive schemes.

32. The 2016 draft TLAB proposed that any payments made from a restricted equity instrument to an employee would be taxable as remuneration if the payment was made before vesting, regardless of whether that payment was a dividend or a return of capital or any other type of distribution as the benefits are dependent on continued employment. Since payments are to be treated as remuneration, it was decided that the actual cost of the restricted equity instrument would be a deductible expense for the employer, where the employer could deduct the amount over the term of the restricted equity investment.

33. The comments received on the initial proposals stated that taxpayers felt that there was an element of double taxation since the deduction for the employer could be a different value compared to the amount that is taxed as remuneration in the hands of the employee due to differences in the timing of the events. Taxpayers also felt that the proposals could undermine BBBEE schemes since scheme members would now face tax on

remuneration, instead of dividends tax, on distributions from the scheme. Further concerns were raised regarding the administrative implications as distributions currently face Dividends Tax, but under the proposal the amounts would be exempt from this tax but now fall under PAYE. If the scheme is run through a trust, the trust may potentially need to register for PAYE, leading to a duplication of reporting to SARS by employers.

34. NT continued to stand by the policy rationale for the change, but due to the potential impact on BBBEE schemes and implications for administration the revised provisions avoid amendments to the vast majority of restricted equity investment schemes and instead target the particular instances of potential abuse. The revised proposal states that a distribution that is a return of capital or of foreign capital, by means other than a restricted equity instrument, will be treated as revenue and taxed at personal marginal income tax rates instead of the lower rate for dividends tax.

Relaxing the hybrid debt rules for debt instruments subject to subordination agreements to assist companies in financial distress.

35. The anti-hybrid debt rules re-characterise interest arising from debt instruments that contain equity features as dividends in specie. This re-characterisation was introduced in order to deny taxpayers interest deductions for amounts that are more akin to dividends because the instrument in respect of which they are paid is more akin to shares. One of the features that trigger a re-characterisation is when a debt instrument is subordinated until the debtor company regains solvency.

36. However, Government recognised that in the current economic climate many companies experience financial difficulties and may be required by their auditors to subordinate related party debt in favour of third party debt in order to not have a qualified audit report and therefore continue trading in the hopes of recovering financially. To provide relief under these circumstances, the 2016 draft TLAB proposed that debt instruments between members of a group of companies may be subordinated without the anti-avoidance rules being triggered.

37. Stakeholders highlighted that the scope of the relief granted for hybrid debt instruments that are subject to subordination agreements is extremely limited. In their submissions they state that by limiting the relief to only debt between resident companies forming part of the same group of companies many other companies that need the relief are left out. Some of these include small businesses held by individuals and non-resident shareholders who may have lent the company money and are required to subsequently subordinate those loans. They requested that the scenarios under which the relief is applicable should be extended past loans entered into between connected persons.

38. Changes have been made to extend the relief. As such, the relief will now be extended so that subordination agreements entered into in respect of debt instruments are not adversely impacted by the anti-hybrid debt rules when required for purposes of maintaining a debtor company's solvency if a registered auditor, as contemplated in the Auditing Profession Act, 2005, confirms that the subordination is due to solvency concerns.

Extending the small business corporation regime to personal liability companies.

39. For purposes of the Small Business regime, qualifying companies are listed in respect of their form in the Income Tax Act under section 12E. In this respect, the legislation currently lists qualifying entities (subject to some other requirements) as any close corporation, co-operative or any private company. The Companies Act, 2008, specifically excluded personal liability companies from the definition of a private company. This means that when the new Companies Act came into effect, personal liability companies were excluded from qualifying as small businesses. In 2010, various company law reform amendments were made in the Income Tax Act, in order to align the tax legislation with the new company law framework. However, an oversight occurred in respect of specifically listing personal liability companies in the list of qualifying companies for purposes of the Small Business regime. The 2016 draft TLAB corrected this by

specifically listing personal liability companies for purposes of the Small Business regime. However, it was proposed that this correction would come into effect on 1 March 2016 and apply in respect of years of assessment ending on or after that date.

40. Numerous taxpayers have pointed out that the exclusion of personal liability companies from qualifying as small business corporations had no policy rationale. This exclusion was a result of an oversight when technical corrections were made to section 12E for purposes of updating that provision with the introduction of the new Companies Act. As such, the correction should be effective from the date that the new Companies Act came into effect. Consequently, the correction to include personal liability companies in the Small Business regime will come into effect on 1 May 2011 and will apply in respect of years of assessment ending on or after that date.

Issues Raised by the Committee for NT and SARS to consider

Witzenberg PALS

41. During the Committee's public hearings, an organisation based in Ceres, Western Cape, known as Witzenberg Partners in Agri Land Solutions (PALS) submitted that the LTI scheme did not accommodate internships and mentorships which were not accredited by the Skills Education Training Authorities (SETAs) as it focused only on learnerships. The Committee noted the compelling case made by this organisation and felt its initiatives and objectives were to be commended. It noted however that the organisation did not qualify for incentives, and believed that it should look to alternative funding, including perhaps funding through the Comprehensive Agricultural Support Programme (CASP). The Committee recommended that the NT and SARS should consider PALS concerns and report back to the Committee. NT official reported to the Committee that they had communicated with the organization about approaching AGRI SETA and the Department of Labour about possible accreditation. It was

explained that the LTI scheme prescribes accreditation and quality ssurance and without meeting this requirement, no claims can be made from the incentive.

Employer bursaries for employees

42. The Bill provided for an increase of thresholds amounts for exemption of employee provided bursaries. Currently, the Income Tax Act makes provision for tax exemption for all "*bona fide*" bursaries or scholarships granted by employers to employees or relatives of qualifying employees, subject to certain monetary limits and other requirements. If a bursary or scholarship is awarded to a relative of the employee, the exemption will apply only if the employee's remuneration does not exceed R250 000 during the year of assessment. In addition, the amount of the bursary or scholarship will only be exempted up to a limit of R10 000 for studies from Grade R to 12 including qualifications in NQF levels 1 to 4 and R30 000 for qualifications in NQF levels 5 to 10.

43. The monetary limit in respect of remuneration for qualifying employees will be increased from R250 000 to R400 000. The monetary limits in respect of the exempt bursary or scholarship will be increased from R10 000 to R15 000 for studies from Grade R to 12 including qualifications in NQF level 1 to 4, and R30 000 to R40 000 for qualification in NQF levels 5 to 10. The Committee is concerned about education crisis in the country and urges the NT to consider the possibilities of increasing this tax relief

Social and Labour Plans

44. The Bill provides for relief for mining companies that spend on infrastructure that benefits the wellbeing of their employees. The Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) makes it compulsory for mining companies to submit a Social and Labour Plan (SLP). SLPs are entered into between the community, the mining company and the Department of Mineral Resources (DMR) to assist

with the development of mining communities, which typically involves a company agreeing to build infrastructure – ranging from roads and drainage systems to crèches, schools, clinics, housing, and recreational buildings – to benefit workers and communities surrounding the mine.

45. To assist mining companies to meaningfully contribute towards community development, the Bill makes provision for the capital infrastructure expenditure incurred by mining companies in terms of the SLP requirements of the MPRDA for the benefit of the people living in mining communities to be eligible for tax deduction. The Committee is however of the view that such relief could be considered in other sectors of the economy outside mining and recommends that NT explores the possibility of expanding the scheme to other sectors.

Land Restitution

46. Currently, the Income Tax Act makes provision for exemption from donations tax and capital gains tax in respect of land donated or awarded in terms of the Land Reform Programme and/or Restitutions of Land Rights Act, 1994. The exemption from income tax is provided if the full ownership of the land is transferred in terms of the above-mentioned land reform initiatives. In order to provide relief to other land reform initiatives as stipulated in Chapter 6 of the National Development Plan, the Bill makes provision for such land reform initiatives to be exempt from donations tax and capital gains tax, provided that the full ownership of the land is transferred in this regard.

Base Shifting and Profit-Sharing

47. While recognising the challenges, the Committee believes that NT and SARS need to do far more to tackle Base Erosion and Profit Shifting and other forms of tax evasion. If there are legal loopholes and uncertainties that provide space for these transgressions they need to be addressed.

On the Efficiency of the SARS Call Centre

48. The Committee expresses its concerns about the quality of the service of the SARS Call Centre and requires SARS and NT to report to it on its performance during the first quarter 2017 Quarterly Briefing to the Committee.

The Democratic Alliance (DA) reserves its position on the Bill.

Report to be considered.

MINISTER: FINANCE
REPUBLIC OF SOUTH AFRICA

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Mr Yunus Carrim
Chairperson of the Standing Committee on Finance
Parliament of the Republic of South Africa
P O Box 15
CAPE TOWN
8000

Dear Mr Carrim

AMENDMENTS TO THE TAXATION LAWS AMENDMENT BILL [B 17—2016] IN TERMS OF SECTION 11 OF MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS ACT, 2009

Thank you for your letter, dated 22 November 2016, regarding the proposed removal of the R20 million per annum cap on the amount an employer may claim in terms of the Employment Tax Incentive Act from 1 March 2017. As per my previous letter, dated 21 November 2016, I am in support of a removal of the cap so as to avoid any potential negative impacts on employment.

I also acknowledge, and am satisfied with, the proposed changes to the effective dates for the definition of "monthly remuneration" and a related amendment in the Employment Tax Incentive Act from 1 October 2016 to 1 March 2017.

Thank you for your efforts in the processing of the tax Bills tabled in October 2016.

Kind regards

PRAVIN J GORDHAN, MP
MINISTER OF FINANCE
Date: 24-11-2016

PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

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22 November 2016

Mr Pravin Gordhan
Minister of Finance
Tshwane

Dear Minister

AMENDMENT TO THE TAXATION LAWS AMENDMENT BILL (B17-2016) IN TERMS OF THE MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS ACT, 2009

I write to you to inform you of the Committee's decision to remove the R20 million cap per annum on the amount an employer may claim in terms of the Employment Tax Incentive Act from 1 March 2017.

You are aware of the exchanges between the Committee, National Treasury and me since last week on this matter. Enclosed is a draft copy of the Committee's report on the Bill.

We have also agreed to a technical correction to adjust the date for the change to the definition of "remuneration" and the date of a related amendment in the Employment Tax Incentive Act from 1 October 2016 to 1 March 2017.

Section 11 of the Money Bills Amendment Procedure and Related Matters Act sets out the procedure for effecting amendments to revenue Bills, including reporting to the House on consultation between the Committee and the Minister.

I thank you for your attention and convey good wishes.

Yours sincerely

Yunus Carrim MP
Chairperson: Standing Committee on Finance

MINISTER: FINANCE
REPUBLIC OF SOUTH AFRICA

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Mr Y Carrim, MP
Chairperson of the Standing Committee on Finance
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P O Box 15
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8000

Dear Honourable Carrim

REQUEST FOR THE COMMITTEE TO AMEND THE TAXATION LAWS AMENDMENT BILL [B 17—2015] IN TERMS OF SECTION 11 OF THE MONEY BILLS AMENDMENT PROCEDURE AND RELATED MATTERS ACT, 2009

I refer to the Taxation Laws Amendment Bill [B 17—2016] (2016 TLAB) that was introduced in Parliament on 26 October 2016. The 2016 TLAB is a Money Bill as contemplated in section 77 of the Constitution. The 2016 TLAB deals with more substantive changes to the law and gives effect to proposals announced in the 2016 Budget.

I hereby request the Committee to consider an amendment to the 2016 TLAB in terms of section 11 of the Money Bills Amendment Procedure and Related Matters Act, 2009:

- Amendment to remove the proposed R20 million cap on the amount an employer may claim per annum using the Employment Tax Incentive from 1 March 2017.

- A technical correction to adjust the effective date for the change to the definition of "remuneration" and the date of a related amendment in the Employment Tax Incentive Act from 1 October 2016 to 1 March 2017.

Employment growth is a key aspect of government's inclusive growth objective. During the public hearings on the bill a compelling case was made by claimants that the proposed cap would come at the cost of higher levels of employment. The request proposes a retraction of the cap to avoid any potential negative impacts on employment. This will also lend support to the emerging commitment by key stakeholders to extend employment to a large number of young work seekers, including a commitment to support work seekers with structured training programmes. The South African Revenue Service and the National Treasury will monitor the affordability of the programme as an input to the fiscal framework. Should cost containment of this programme be required, the imposition of a cap will be reviewed.

The above proposed amendments to the 2016 TLAB are set out in **Annexure A**. It is proposed that the Committee adopts these amendments in terms of section 11 of the Money Bills Amendment Procedure and Related Matters Act, 2009. I have requested Mr Ismail

Momoniat to advise the Committee in its deliberations at the hearings scheduled for 22 November 2016.

Kind regards

PRAVIN J GORDHAN, MP
MINISTER OF FINANCE
Date: 21-11-2016

5. Report of the Standing Committee on Finance on the *Tax Administration Laws Amendment Bill* [B18 - 2016] (National Assembly- section 75), dated 24 November 2016.

The Standing Committee on Finance, having considered and examined the ***Tax Administration Laws Amendment Bill*** [B18 - 2016] (National Assembly – section 75), referred to it, and classified by the JTM as a section 75 Bill, reports that it has agreed to the Bill.

1 The Draft Tax Administration Laws Amendment Bill (TALAB), 2016 was released for public comment on 8 July 2016. National Treasury and SARS briefed the Standing Committee on Finance (Committee) on 24 August 2016. The Committee held public hearings on 14 September 2016. The report-back by National Treasury and SARS to the Committee was on 21 September 2016.

2 Various subsequent stakeholder consultation meetings were hosted by the National Treasury and SARS to further engage on the key issues in the 2016 draft TALAB.

Prescription period for claiming of Value-Added Tax refunds

3. A five year prescription period has always applied to value-added tax claims. As a result of the introduction and subsequent amendment of the Tax Administration Act, 2011, (TAA) and the Value Added Tax Act, 1991, (VAT Act) questions arose as to whether this prescription period applied to returns submitted more than five years late. The 2016 draft TALAB proposed reinserting the repealed section 44(1) of the VAT Act to provide the required clarity. Stakeholders found this confusing and felt it undermined coherence between the TAA and the VAT Act. Consequently the provision to be inserted was narrowed to focus on refunds arising from late returns and the Memorandum of Objects was reworded.

4 The 2016 draft TALAB proposed a number of measures to enhance the independence of the Tax Ombud. These were the extension of the Tax Ombud's term of office from three years to five years; the removal of the requirement to consult with the Commissioner on the secondment of appointed staff; clarity that the expenses of the Tax Ombud would be paid in accordance with a budget approved by the Minister of Finance; the extension of the mandate of the Tax Ombud to not only review systemic or emerging issues identified as a result of complaints but also at the request of the Minister of Finance; and the insertion of a requirement that a party that does not accept the Tax Ombud's recommendation for dealing with a complaint provide reasons for its stance.

5. Stakeholders, including the Office of the Tax Ombud, felt that the proposed amendments should go further to enhance the independence of the Tax Ombud. Consequently, the provision with respect to the appointment of staff was clarified to reflect that the Tax Ombud appoints the staff of his or her office, who are then employed in terms of the South African Revenue Service Act, 1997. The provision dealing with the Tax Ombud's expenditure was reworded to remove reference to the "funds of SARS" and the Tax Ombud's mandate was further extended to review systemic or emerging issues on own initiative with approval of the Minister of Finance. Finally, a 30 day period was inserted to provide reasons for not accepting the Tax Ombud's recommendation. The CEO of the Office of the Tax Ombud confirmed that these changes address the comments submitted by the office.

The Democratic Alliance (DA) reserves its position on the Bill.

Report to be considered.

6. Report of the Standing Committee on Finance on the *Rates and Monetary Amounts and Amendment of Revenue Laws Bill* [B19 - 2016] (National Assembly - section 77), dated 24 November 2016.

The Standing Committee on Finance, having considered and examined the ***Rates and Monetary Amounts and Amendment of Revenue Laws Bill*** [B19 - 2016] (National Assembly – section 77), referred to it, and classified by the JTM as a Money Bill, reports that it has agreed to the Bill.

1 The Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill, 2016 (Rates Bill) was initially released for public comment by the National Treasury and SARS on 24 February 2016 and a second version was released on 12 April 2016. After the receipt of further public comments and a consultation meeting with stakeholders, National Treasury and SARS published a revised draft Rates Bill on 20 July 2016. National Treasury and SARS briefed the Standing Committee on Finance (the Committee) on the revised draft Rates Bill on 17 August 2016. The Committee held public hearings on 30 August 2016. National Treasury and SARS responded to submissions to the Committee on 7 September 2016. The Rates Bill [B19-2016] was formally tabled by the Minister of Finance in parliament on 26 October 2016.

2 The Rates Bill contains adjustments to tax rates and monetary amounts that were announced in the 2016 Budget by the Minister of Finance. These included:

- increases in the amounts of the bottom three personal income tax brackets;
- an increase in the primary rebate for individuals;
- an additional top bracket for the transfer duty rate;
- increases in the value of medical tax credits;
- an increase in the inclusion rate for capital gains taxes;

- increases in the excise duties for alcohol and tobacco; and
- the introduction of an environmental levy on tyres

3 The Rates Bill also provide for an "additional voluntary disclosure relief", also known as the Special Voluntary Disclosure Programme (SVDP). The main adjustments to the draft Bill relate to the provisions on the SVDP. A small change to the Schedules for the environmental levy on tyres was also made.

4 Public comments received on earlier versions of the SVDP stated the programme was too complicated and onerous as it required a large amount of information from potentially many years in the past. In some instances it was argued that such information might not be available.

5 The revised Rates Bill moves away from the need to calculate seed capital and investment returns and instead requires only one amount to be determined. Applicants would need to calculate the highest aggregate value of all their assets that arose from undeclared income between 1 March 2010 and 28 February 2015.

6 In order to address the cost concerns and to encourage the uptake of the SVDP, there is a reduction in the inclusion rate is proposed from 50 per cent to 40 per cent of the highest value of the aggregate of all assets situated outside South Africa between 1 March 2010 and 28 February 2015 that were derived from undeclared income, which will be included in taxable income and subject to tax in South Africa.

7 The income that was received that made up the undisclosed aggregate value would be exempt from income tax, estate duty and donations tax that would have arisen on the original receipt of these funds, but any future income would subsequently be taxed. Any further donations will be taxed and amounts will be liable for estate duty in future.

8 Special deeming provisions will be available for applicants that disposed of undisclosed assets before 1 March 2010, however there will not be any SVDP relief available for non-compliance relating to Value Added Tax or payroll taxes. Relief for non-compliance in these areas will be available under the existing voluntary disclosure programme. The Committee received a proposal from a stakeholder that the inclusion rate of SVDP be reduced from 40 per cent to 25 per cent, so that applicants can more readily avail themselves of the SVDP relief. It was argued that the 40 per cent rate is widely felt as a deterrent and poses a likelihood of the SDVP not being successful. The consequence would be that National Treasury will be deprived of the billions of Rands that it stands to collect. However, the Committee decided that 40 per cent is broadly consistent with the international trends and did not agree with the proposal.

9 The provisions for the environmental levy on tyres are to remain the same as those in the Rates Bill that was published on 20 July 2016. However National Treasury published a media statement on 22 September 2016 announcing a proposed delay of the effective date of the levy from 1 October 2016 to 1 February 2017. In the public consultation process it was raised that there was a possibility of the levy being applied twice for tyres that are re-treaded locally. A proposal has, therefore, been made to exempt re-treaded tyres for passenger vehicles and light commercial vehicles. The exemptions for these re-treaded tyres are included in the Schedules of the final Bill.

The Democratic Alliance (DA) reserved its position on the Bill

Report to be considered

7. Report of the Standing Committee on Finance on the *Rates and Monetary Amounts and Amendment of Revenue Laws (Administration) Bill* [B20 - 2016] (National Assembly- section 75), dated 24 November 2016.

The Standing Committee on Finance, having considered and examined the ***Rates and Monetary Amounts and Amendment of Revenue Laws (Administration) Bill*** [B20 - 2016] (National Assembly – section 75), referred to it, and classified by the JTM as a section 75 Bill, reports the Bill with amendments [B20A – 2016].

1 The Draft Rates and Monetary Amounts and Amendment of Revenue Laws (Administration Bill), 2016 (Rates Administration Bill) was initially released for public comment by the National Treasury and SARS on 24 February 2016 and a second version was released on 12 April 2016. After the receipt of further public comments and a consultation meeting with stakeholders, National Treasury and SARS published revised draft Rates Admin Bill on 20 July 2016. National Treasury and SARS briefed the Standing Committee on Finance (SCoF) on the revised draft Rates Administration Bill on 17 August 2016. The Standing Committee on Finance held public hearings on 30 August 2016. National Treasury and SARS responded to the submissions on 7 September 2016.

2 The Rates Administration Bill [B20-2016] was tabled by the Minister of Finance in parliament on 26 October 2016.

3 It provides for administrative matters related to "additional voluntary disclosure relief", also known as the Special Voluntary Disclosure Programme (SVDP). It sets out the conditions and dates for an application for the SVDP relief.

4 The Committee received proposals that the closing date for the special voluntary disclosure programme, which had been extended from 31 March 2017 to 30 June 2017, be extended further to 30 September 2017. However, the Early Adopters Group, which includes South Africa, of the Common Reporting Standards developed by the Organization for Economic Cooperation and Development (OECD) for the automatic exchange of information on high worth individuals released a joint statement confirming that the first international exchanges of information in relation to new accounts and pre-existing individual high value accounts would take place by the end of September 2017. The Committee amended the date to 31 August 2017 so that it precedes the effective date of the Early Adopters automatic exchange of information.

5 The Committee decided that there should be a requirement to report on the outcome of the SVDP for both tax and foreign exchange to Parliament. The information to be reported would be more readily available, to integrate reporting on the foreign exchange outcomes into the scheme of the Bill and to align reporting with the existing reporting provisions of the Tax Administration Act, 2011.

The Democratic Alliance (DA) reserved its position on the Bill

Report to be considered