

FORMAL RATIFICATION: SOUTH AFRICA-SEYCHELLES TAX TREATY PROTOCOL

NCOP

Presenters: Charles Makola and Lutando Mvovo | Directors, Tax Policy, National Treasury | 16 November 2011



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

INTRODUCTION

- National Treasury's presentation will only be limited to the ratification of Seychelles STC Protocol;
- Tax information exchange agreements are agreements between tax administrations;
- National Treasury's involvement in tax administration agreements limited to:
 - managing the political impact assessment, and
 - where such agreement forms part of the broader DTA negotiation

BACKGROUND TO THE SEYCHELLES PROTOCOL

- The SA– Seychelles tax treaty is one of the nine tax treaties that has a zero rate withholding tax on dividends
- It had to be renegotiated before the proposed dividends tax could be implemented
- The renegotiation also addressed certain aspects that are not present in the old treaties
- Minister announced during his 2011 budget speech that the new dividends tax will come into operation on 1 April 2012
- This protocol was signed on 4 April 2011

OTHER DIVIDEND PROTOCOLS-UPDATE

DIVIDENDS TAX PROTOCOLS	
Protocol	Status
Australia	In force
Netherlands	In force
Ireland	In force
Malta	Awaiting Minister's signature
Kuwait	Awaiting Minister's signature
Cyprus	Awaiting Minister's signature.
Oman	Will be signed today
Seychelles	Signed on 4 April 2011
Sweden	In force
United Kingdom	In force

WAY FORWARD

- Formal ratification – 16 November 2011
- Put the administrative machinery in motion
 - Sending notification to Seychelles through diplomatic channels;

THANK YOU