



This newsletter provides a high level overview of developments in the field of taxation that took place during the month of June 2015. A newsletter setting out the details of these developments as well as an analysis of the practical implications is available under the **Newsletter** section at [www.pvdz.co.za](http://www.pvdz.co.za).

*New provisions and regulations to be aware of*

Government Notice 510 sets out the requirements for taxpayers to submit returns for the 2015 year of assessment. It also lists those persons who are not required to submit returns. In addition to the new tax treaty between South Africa and Mauritius that was published in the gazette on 17 June 2015, an agreement for the exchange of information has been entered into between South Africa and Belize.

*BPR193: Repayment of loans by way of subscription for shares*

A reduction of debt gives rise to recoupsments as well as adjustments to base cost of assets and capital losses available to a taxpayer. BPR193 deals with a transaction consisting of a number of steps structured to settle a debt by means of shares (effectively a capitalisation of the loan).

*BPR194: Tax implications of setting up a structure to make continuous tax deductible donations*

A donation may be deductible in the hands of the donor under section 18A of the Income Tax Act in certain circumstances. This ruling deals with a scenario where the burden of the donation is borne by certain shareholders, while the deductible donation takes place at the level of the company owned by those shareholders and others.

*BPR195: The interaction between a section 42 election and STT (BPR195)*

This ruling deals with a transaction where the taxpayers involved opt out of the relief from section 42. One of the aspects covered in the ruling is the STT effect of this election.

*Revised version of Interpretation Note 18 issued*

Interpretation Note 18 deals with rebates against South African tax for foreign tax payable by residents. In particular, it deals with the application of sections 6quat and 6quin. A new version of this interpretation note has been issued, which provides some much needed clarity on certain aspects of these two provisions and the rebates available.

*New double tax agreement between South Africa and Mauritius*

A new double tax agreement between South Africa and Mauritius entered into force from 28 May 2015. It includes changes in the residence tie-breaker provision and limits on withholding tax rates that apply between these countries.

*Davis Tax Committee: Interim VAT report*

The Davis Tax Committee made certain VAT proposals to be considered. These may be a good indication of changes ahead.

This document has been produced by Pieter van der Zwan to provide you with an overview of tax developments that occurred. For more information on its contents or technical assistance, you can contact me at [pieter@pvdz.co.za](mailto:pieter@pvdz.co.za). Please note that the document has been prepared for information purposes only and it is recommended that you consult the primary source and/or obtain fact specific advice when applying this information in making decisions or advising others.