



# South Africa

## Fiscal Guide 2015/2016

**Tax**



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INTRODUCTION

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## Income tax

### Business income

Tax is levied on a residence basis in terms of the Income Tax Act No 58 of 1962 ("the Act"). South African residents are taxed on their worldwide income. Non-residents are taxed on their South African-sourced income, subject to the application of an applicable Double Taxation Agreement ("DTA").

### Dividends tax

On 1 April 2012, Secondary Tax on Companies (STC) was replaced by Dividends Tax which is levied at a rate of 15% on all dividends paid by a company to the beneficial owner, subject to relief which may be available in terms of exemptions provided for in the Act or any applicable DTA.

### Rates

<b>Resident Companies</b>	
Corporation tax	
• General rate for companies	28%
• Trusts	40%
Long-term insurance business	
• Individual policyholder fund	30%
• Company policyholder fund	28%
• Untaxed policyholder fund	0%
• Corporate fund	28%
Small Business (turnover < R20 million per year) <sup>2</sup>	
• Up to R75 000 of taxable income	0%
• Exceeding R75 000 but not exceeding R365 000 taxable income	7% of amount above R75 000
• Exceeding R365 000 but not exceeding R550 000 taxable income	R20 300 + 21% of the amount above R365 000
• Exceeding R 550 000 taxable income	R59 150 +28% above R550 000
Turnover Tax for Micro Businesses (Turnover < R 1 million per year) <sup>3</sup>	
• R0 – R335 000 taxable turnover	0%
• Exceeding R335 000 but not exceeding R500 000 taxable turnover	1% of amount above R335 000
• Exceeding R500 000 but not exceeding R750 000 taxable turnover	R1 650 + 2% of amount above R500 000
• Exceeding R750 000 of taxable turnover	R6 650 + 3% of amount above R750 000
Capital gains inclusion rate (companies & trusts)	80%, resulting in an effective tax rate of 22.4% for companies, and 32.8% for trusts.
Dividends tax	15% (subject to exemptions)
Interest	Taxed as ordinary income
Royalties	Taxed as ordinary income
Management fee	Taxed as ordinary income

<sup>1</sup>Gold mining companies are taxed based on a specific formula.

<sup>2</sup>Rates applicable for years of assessment ending during the 12 months ending on 31 March 2017

<sup>3</sup>Rates applicable for years of assessment ending during the period of 12 months ending on 28 February 2017



Foreign dividends	<p>Four exemption rules apply:</p> <ul style="list-style-type: none"> <li>▪ The shareholder holds at least 10% of the total equity shares and voting rights in the company declaring the foreign dividend</li> <li>▪ The shareholder is a foreign company which is in the same country as the foreign company paying the dividend</li> <li>▪ The foreign dividend is received or accrued to a person in respect of a listed share and does not constitute a distribution of an asset in specie</li> <li>▪ The foreign dividend is received/accrues to a company that is a resident in respect of a listed share and constitutes a distribution of an asset in specie</li> <li>▪ The foreign dividend is received from a Controlled Foreign Company (CFC) and does not exceed the aggregate of all amounts which are included in income of that resident in terms of Section 9D.</li> <li>▪ If the above exemptions do not apply, an effective rate of 15% applies</li> </ul>
South African dividends	Generally, South African dividends received by or accrued to or in favour of any South African person are exempt. There are certain specified instances where the dividend exemption does not apply, resulting in the dividends being subject to income tax in such instances. Where dividends are subject to income tax, no dividend tax is payable.

### Resident individuals

Individual tax	18% – 41% **
Capital gains inclusion rate	40%, resulting in an effective tax rate of 16.4% for individuals
Royalties and fees	Taxed as ordinary income
South African dividends	Generally exempt from income tax with specific anti-avoidance rules in the case of dividends received as a result of an employment relationship
South African Interest exemption (there is no longer any exemption for foreign interest):	
• Taxpayer under 65	R23 800
• Taxpayer 65 and over on the last day of the year	R34 500
Foreign portfolio dividends	Taxed at a maximum effective rate of 15%

### Non-resident companies

Corporation tax	28%
Capital gains inclusion rate	80%, resulting in an effective tax rate of 22.4%
Withholding taxes:	
Dividends	15% (subject to DTA relief)
Interest***	15% withholding tax (subject to DTA relief)
Royalties***	15% withholding tax (subject to DTA relief)
Service fees***	Withholding tax on service fees no longer to come into operation.

\*\* Individuals Income Tax Table

\*\*\* No withholding tax where effectively connected to a permanent establishment in South Africa or carried on business through a permanent establishment in South Africa

## Individuals Income Tax Table – for the year ending 28 February 2017

Income (R)	Tax rate (%)
up to R188 000	18%
R188 001 – R293 600	R33 840 + 26% of amount above R188 000
R293 601 – R406 400	R61 296 + 31% of amount above R293 600
R406 401 – R550 100	R96 264 + 36% of amount above R406 400
R550 101 – R701 300	R147 996 + 39% of amount above R550 100
R701 301 and above	R206 964 + 41% of amount above R701 300
Tax threshold	
Tax threshold (below age 65)	R75 000
Tax threshold (age 65 and above)	R116 150
Tax threshold (age 75 and above)	R129 850
Tax rebates	
Primary rebate	R13 500
Secondary rebate (65 to 74)	R7 407
Tertiary rebate (75 and over)	R2 466

Retirement fund lump sum withdrawal benefits (pre-retirement)

Taxable Income (R)	Rate of Tax (R)
R0 – R25 000	0% of taxable income
R25 001 - R660 000	18% of taxable income above R25 000
R660 001 - R990 000	R114 300 + 27% of taxable income above R660 000
R990 001 and above	R203 400 + 36% of taxable income above R990 000

Retirement fund lump sum benefits or severance benefits

Taxable Income (R)	Rate of Tax (R)
R0 – R500 000	0% of taxable income
R500 001 - R700 000	18% of taxable income above R500 000
R700 001 – R1 050 000	R36 000 + 27% of taxable income above 700 000
R1 050 001 and above	R130 500 + 36% of taxable income above 1 050 000

Retirement fund lump sum benefits consist of lump sums from a pension, pension preservation, provident, provident preservation or retirement annuity fund on death, retirement or termination of employment due to redundancy or termination of the employer's trade. Severance benefits consist of lump sums from or by arrangement with an employer due to relinquishment, termination, loss, repudiation, cancellation or variation of a person's office or employment. The tables apply cumulatively.

### Employees' tax and related taxes/levies

Employers have a monthly obligation to make payment in respect of employees' tax, Skills Development Levy and Unemployment Insurance Contributions in respect of employees

The employees' tax withholding regime (known as PAYE or Pay-As-You-Earn) is in essence a withholding tax system, which places the obligation upon the employer to withhold employees' tax via the payroll and to pay this over to the South African Revenue Service ("SARS") on a monthly basis. The employees' tax must be withheld from remuneration paid to the employee and is taken into account when the SARS calculates the individual's tax payable.

Every employer in South Africa must pay Skills Development Levy monthly at a rate of 1% of the total amount of remuneration paid/payable by the employer. Employers paying annual remuneration of less than R500 000 are exempt from the payment of Skills Development Levies.

### Employees' tax and related taxes/levies (continued)

Monthly contributions to the Unemployment Insurance Fund must be made monthly in respect of the majority of employees. The employer must pay over a total contribution of 2% of the total remuneration paid/payable to the employees (limited to R14 872 per month, R178 464 annually), of which 1% must be deducted from the employees' remuneration.

South Africa does not have a social security tax obligation for employers or individuals.

### Capital gains tax ("CGT")

Capital gains arising from the disposal of capital assets on or after 1 October 2001 are included in taxable income at varying inclusion rates and subject to normal tax. The amount of the gain to be included in taxable income depends on whether the person is a natural person or a person other than a natural person.

Details of inclusion rates are set out in the rates section.

Exclusions from CGT for individuals	Amount
The annual capital gain/loss exclusion	R40 000
The primary residence exclusion	R2 million
The exclusion in the year of death	R300 000

South African residents are taxed on their worldwide income on the disposal of assets. Events that trigger a disposal include a sale, donation, exchange, loss, death and emigration.

In the case of a non-resident, only immovable property situated in the Republic (and certain rights or interests therein) held by the non-resident, or any asset which is attributable to a permanent establishment of that non-resident in the Republic, fall within the ambit of the CGT provisions.

An interest in immovable property situated in the Republic includes any equity shares held by a person in a company or ownership or right to ownership of a person in any other entity or a vested interest of a person in any assets of any trusts, if:

- 80 per cent or more of the market value of those equity shares, ownership or right to ownership or vested interest, as the case may be, at the time of disposal thereof is attributable directly or indirectly to immovable property held otherwise than as trading stock; and
- In the case of a company or other equity, that person (whether alone or together with any connected person in relation to that person), directly or indirectly, holds at least 20 per cent of the equity shares in that company or ownership of that other entity.

Any person who must pay an amount to a non-resident in respect of the purchase of immovable property (land, buildings) situated in the Republic or an interest in immovable property must withhold an amount from such payment and pay it to SARS. The amount of the withholding tax ranges between 5% and 10%.

### Donations tax

Donations tax is levied on any donation at a fixed rate of 20% of the value of the property donated (subject to certain exemptions). Donations tax is not a tax on income, but rather a tax on the transfer of wealth from one person to another. The first R100 000 of property, donated by a taxpayer who is a natural person, is exempt. Casual gifts made by non-natural persons up to R10 000 per annum are exempt. Non-resident donors are not subject to donations tax.

### Transaction taxes

The standard rate of value-added tax ("VAT") is 14% on the value of goods and services supplied or imported. In addition, certain categories of goods and services may be liable for VAT at 0% or be exempt from VAT.



## Securities transfer tax and transfer duty

The Securities Transfer Tax Act No. 25 of 2007 ("the STT Act") provides for the levying of tax in respect of every change in beneficial ownership of South African listed and unlisted securities.

STT will be levied at the rate of 0.25% on the market value of the shares, or consideration paid upon transfer, whichever is higher.

Transfer duty on the transfer of immovable property is payable on the greater of cost or market value, where the purchase is made by a person other than a natural person. The rate of transfer duty and the exemption threshold were amended with effect from 1 March 2016 and are as follows:

Property value	Rates of tax
Below R750 000	0%
R750 001 – R1 250 000	3% of the value above R750 000
R1 250 001 – R1 750 000	R15 000 + 6% of the value above R1 250 000
R1 750 001 – R2 250 000	R45 000 + 8% of the value above R1 750 000
R2 250 001 – R10 000 000	R85 000 + 11% of the value above R2 250 000
R10 000 001 and above	R937 500 + 13% of the value exceeding R10 000 000

### Double tax treaties and reduced rates (African countries):

Country	Dividends <sup>1</sup>	Interest <sup>2</sup>	Royalties <sup>3</sup>
Algeria	10% /15%	10%	10%
Botswana	10% /15%	10%	10%
Congo (Democratic Republic of Congo)	5%/15%	10%	10%
Egypt	15%	12%	15%
Ethiopia	10%	8%	20%
Ghana	5% /15%	5%/10%	10%
Kenya	10%	10%	10%
Lesotho	15%	10%	10%
Malawi	n/a	n/a	0%
Mauritius	5%/15%	0%	0%
Mozambique	8% /15%	8%	5%
Namibia	5% /15%	10%	10%
Nigeria	7.5% /10%	7.5%	7.5%
Rwanda	10% /20%	10%	10%
Sierra Leone	-	-	-
Seychelles	5% /10%	0%	0%
Swaziland	10% /15%	10%	10%
Tanzania	10% /20%	10%	10%
Tunisia	10%	5% /12%	10%
Uganda	10% /15%	10%	10%
Zambia	n/a	0%	n/a
Zimbabwe	n/a	n/a	n/a

### Notes

- Where two rates are shown, this indicates that the right of the source state to tax dividends will vary depending on the level of ownership in the capital of the company paying the dividend. Each treaty has its own threshold in this regard and will need to be analysed to determine the applicable rate.
- Where two rates are shown, this indicates that the right of the source state to tax interest arising in that state will depend on what type of institution the recipient is. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.
- Where two rates are shown, this normally indicates that the source state has different taxing rights in respect of different types of intellectual property. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.

n/a: The treaty does not contain a specific provision on the relevant income and domestic rates should apply in the absence of a specific provision.

## Double tax treaties and reduced rates (Rest of the world):

Country	Dividends <sup>1</sup>	Interest <sup>2</sup>	Royalties <sup>3</sup>
Australia	5% /15%	10%	10%
Austria	5% /15%	0%	0%
Belarus	5% /15%	5% /10%	5% /10%
Belgium	5% /15%	10%	0%
Brazil	10% /15%	15%	10% /15%
Bulgaria	5% /15%	5%	5% /10%
Canada	5% /15%	10%	6% /10%
China	5%	10%	7% /10%
Croatia	5% /10%	0%	5%
Cyprus	0%	0%	0%
Czech Republic	5% /15%	0%	10%
Denmark	5% /15%	0%	0%
Finland	5% /15%	0%	0%
France	5% /15%	0%	0%
Germany	7.5%/ 15%	10%	0%
Greece	5% /15%	8%	5% /7%
Hong Kong	5% /10%	10%	5%
Hungary	5% /15%	0%	0%
India	10%	10%	10%
Indonesia	10% /15%	10%	10%
Iran	10%	5%	10%
Ireland	5% /10%	0%	0%
Israel	25%	25%	0% /15%
Italy	5% /15%	10%	6%
Japan	5% /15%	10%	10%
Korea	5% /15%	10%	10%
Kuwait	0%	0%	10%
Luxembourg	5% /15%	0%	0%
Malaysia	5% /10%	10%	5%
Malta	5% /10%	10%	10%
Mexico	5% /10%	10%	10%
Netherlands	5% /10%	0%	0%
New Zealand	5% /15%	10%	10%
Norway	5% /15%	0%	0%
Oman	5% /10%	0%	8%
Pakistan	10% /15%	10%	10%
Poland	5% /15%	10%	10%
Portugal	10% /15%	10%	10%
Qatar	5% /10%	10%	5%
Romania	15%	15%	15%
Russian Federation	10% /15%	10%	0%
Saudi Arabia	5% /10%	5%	10%
Singapore	5% /15%	0%	5%
Slovak Republic	5% /15%	0%	10%
Spain	5% /15%	5%	5%
Sweden	5% /15%	0%	0%
Switzerland	5% /15%	5%	0%

## Notes

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2. Where two rates are shown, this indicates that the right of the source state to tax interest arising in that state will depend on what type of institution the recipient is. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.
3. Where two rates are shown, this normally indicates that the source state has different taxing rights in respect of different types of intellectual property. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.



## Double tax treaties and reduced rates (Rest of the world) (continued):

Country	Dividends <sup>1</sup>	Interest <sup>2</sup>	Royalties <sup>3</sup>
Taiwan	5% /15%	10%	10%
Thailand	10% /15%	10% /15%	15%
Turkey	10% /15%	10%	10%
Ukraine	5% /15%	10%	10%
United Kingdom	5% /10% /15%	0%	0%
United States of America (USA)	5% /15%	0%	0%

### Notes

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- Where two rates are shown, this indicates that the right of the source state to tax interest arising in that state will depend on what type of institution the recipient is. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.
- Where two rates are shown, this normally indicates that the source state has different taxing rights in respect of different types of intellectual property. Each treaty has its own provisions in this regard and will need to be analysed to determine the applicable rate.

## Transfer pricing and thin capitalisation

### Transfer pricing

Transfer pricing provisions are normally applied to adjust the prices of certain transactions concluded between related parties to reflect an arm's length price which would have applied had the transaction been concluded on normal commercial grounds between unrelated parties. The effect of the application of transfer pricing provisions is to neutralise the tax benefit arising from such transactions.

Where any transaction, operation, scheme, agreement or understanding constitutes an affected transaction and any term or condition is different from any term and condition that would have existed had the parties been independent persons dealing at arm's length, resulting in any tax benefit being derived by a person that is a party to the transaction, operation, scheme or understanding, the taxable income or tax payable must be calculated as if that transaction, operation, scheme or understanding had been entered into on the terms and conditions that would have existed had those persons been dealing at arm's length.

From the introduction of transfer pricing legislation in South Africa in 1995 until 2012, a secondary adjustment was made in the form of a deemed dividend. With the introduction of Dividends Tax – which replaces Secondary Tax on Companies in 2012 for years of assessment commencing on or after 1 April 2012 – the law changed. Secondary adjustments have since been in the form of a “deemed loan” by the South African resident in respect of which the taxpayer is deemed to have accrued arm's length interest, subject to South African tax. However, the concept of the “deemed loan” caused uncertainty as well as tax exchange control and accounting problems.

From 1 January 2015, the secondary adjustment is in the form of a deemed dividend consisting of a distribution of an asset in specie declared and paid by a resident to a non-resident.

### Thin capitalisation

With effect from 1 April 2012 and applicable in respect of years of assessment commencing on or after that date, the 3:1 debt to equity ratio was abolished and replaced with an arm's length test that is based on OECD methodologies.

A draft interpretation note was released by the SARS in March 2013 providing some guidance on the principles behind the new section 31. The main aspect highlighted in this interpretation note relates to the fact that the arms-length evaluation will be based on the level of finance the borrower could have secured under the same terms and conditions had the borrower (the local company) and the lender (the foreign company) been independent parties dealing at arm's length, and whether as a result of the transaction, a tax benefit is derived by the parties to the transaction.

However, such guidance was never made final by SARS, and as a result, no certainty exists as to how taxpayers should comply with the new section 31 of the Act. Additional guidance on the application of the arm's length test is expected to be provided by SARS.

## Thin capitalisation (continued)

Also in relation to the above, it is important to highlight that the TLAB contains changes to the proposed provisions dealing with the limitation of excessive tax deductions, due to come into operation on 1 January 2015.

Section 23M provides for a limitation on the amount of interest which can be deducted on loans sourced from a person that is in a 'controlling relationship' with the debtor where the interest is not subject to tax in the hands of the person to which it accrues.

In terms of the revised section 23M, only loans owing to a creditor that is in a controlling relationship with the debtor or is owing to a third party creditor that has obtained the funding from a debt advanced from a person that is in such a controlling relationship are affected by the limitation. As indicated above, the provisions of section 23M further require that the interest is not subject to tax in the hands of the creditor.

Taxpayers will be required to firstly apply the provisions of section 31 of the ITA to any cross border loans. Where the loan has been used to fund an acquisition and reorganisation transaction, the provision of section 23N must be applied to that portion of the interest which is allowable as a deduction under section 31. Finally, the provisions of section 23M must be applied to determine whether any portion of the interest, not already disallowed under section 23N must be further limited in terms of section 23M.

## Investment information

Several investment incentives have been created for the potential investor in South Africa. All business sectors are open to investors, no government approval is required, and there are almost no restrictions in the form or extent of foreign investment.

The current tariff reform programme is specifically aimed at lowering input costs for the producer, while import controls have been relaxed in line with South Africa's General Agreement on Tariffs and Trade (GATT) and World Trade Organisation (WTO) obligations.

With effect from 1 January 2011, a new tax regime regarding headquarter companies was enacted to ensure that the tax system did not act as a barrier to the use of South Africa as regional headquarter company (HQC). Under the new HQC regime, dividends received are exempt from income tax and dividends declared are not subject to dividend withholding tax, the headquarter company is exempt from the controlled foreign company rules. However, the foreign subsidiaries of a headquarter company would be regarded as controlled foreign companies in relation to any South Africa shareholders of the headquarter company, if such shareholders effectively own more than 50% of the participation rights or voting rights in the foreign subsidiaries. Certain transfer pricing and thin capitalisation rules are relaxed on financial assistance provided to and by the HQC.

Exporters are granted incentives such as export marketing assistance, zero rating for value-added tax (VAT) on exports of goods and services and relief from various customs and excise duties.

## Regional incentives

To encourage investors to establish or relocate industry and business to areas throughout South Africa, the country's various regions (provinces) have development bodies that offer incentives.

## State financing bodies

### Industrial Development Corporation of South Africa Limited (IDC)

The state-owned Industrial Development Corporation promotes investment by funding viable projects with development impact. It operates throughout South Africa and offers a range of financing services for small, medium and large scale industries, so as to assist businesses in the establishment of manufacturing concerns in South Africa and the Southern African region.

The most common form of financing given by the IDC is a medium- to long-term low interest rate loan. The IDC has, in certain cases, taken equity stakes in industrial entities.

## State financing bodies (continued)

### Department of Science and Technology

The research and development (“R&D”) tax incentive in terms of section 11D of the Income Tax Act is administered by the Department of Science and Technology (“DST”).

#### *A “super” tax deduction*

The R&D tax incentive is an effective additional 50% “super” tax deduction on eligible R&D expenditure incurred in South Africa. This equates to an effective 14% tax benefit. For example, if R10m is spent on eligible R&D the tax saving will be R1.4m [R10m eligible spend x 50% super deduction x 28% corporate tax rate].

#### *No application = no deduction!*

With effect from 1 October 2012, the additional 50% R&D tax deduction can only be claimed from the date that a pre-approval application form has been lodged with the DST. This means that only expenditure incurred on or after the date of lodging the application will be eligible.

Any R&D undertaken must be done from within South Africa to qualify and there is no requirement that the resultant IP must be held in South Africa.

### Department of Trade and Industry

The Department of Trade and Industry (DTI) has developed a package of incentives, which include, inter alia, the following incentives:

- Automotive Production Development Programme (“APDP”). The APDP aims to develop the automotive industry in South Africa. The grant ranges between 25% and 45% of the cost for a new, upgrade or expansion project (based on a point scoring system), capped at R40 million. No minimum investment is required, but the activities conducted needs to fall under the Standard Industry classifying code (“SIC”) 132 (fish hatcheries and fish farms) and SIC 301 and 3012 (production, processing and preserving of aquaculture fish).
- Section 12I Tax Allowance Incentive. This incentive is for new projects (Greenfields projects) with a minimum investment value of R50 million or existing projects (Brownfield projects) with expansion/upgrades of R30 million or the lesser of R50 million or 25% of the expenditure incurred to acquire the assets previously used in the project. The incentive is offered as a net tax saving of up to R252 million. There is also an additional allowance for training employees of R36 000 per employee with a maximum of R30 million. Entities need to submit an application which must be approved before any asset is contracted for or acquired.<sup>2</sup>
- Section 12L is an energy efficiency savings deduction available to taxpayers in respect of an energy saving efficiency by that taxpayer. Broadly, subject to certain requirements and limitations, a tax deduction of 95 cents per KWh equivalent of energy saving is available.
- Critical Infrastructure Programme (“CIP”). The CIP is a cash grant for projects that are designed to improve critical infrastructure in South Africa. The incentive covers up to 30% of the cost of development in qualifying infrastructure to a maximum of R50 million.
- Other grants are also available for:
  - Special Economic Zones (“SEZs”);
  - Employment Tax Incentive;
  - Film incentive; and
  - Business process services (“BPS”).

<sup>2</sup> These numbers are based on the Taxation Laws Amendment Bill which has been tabled before Parliament, but has not yet come into force. It is unlikely that these amendments will not be promulgated.

## Exchange control

Companies and individuals resident in South Africa are subject to exchange control regulations. Exchange controls are administered by authorised dealers in exchange (commercial and merchant banks) acting for the South African Reserve Bank. Certain specific restrictions are imposed on South African exchange control-resident companies and individuals relating to the export of capital and the remittance of dividends, royalties, interest and management fees.

## Residence and work permits

Foreign nationals are required to enter South Africa on a visa that is commensurate with their activities whilst in the country. It is therefore recommended that the appropriate visa be applied for and obtained abroad, prior to arrival in South Africa.

Foreign nationals from visa-exempt countries, do not require a visa for South Africa for visits up to 90 days. They are, however, required to request a Section 11(2) visa authorisations for any work-related visits.

Travellers from non-visa exempt countries must apply for Section 11(2) visas at South African missions abroad, before travelling to South Africa.

Foreign nationals who wish to work legally in South Africa have to be in possession of a valid work visa prior to commencing employment activities in South Africa.

Available work visas for includes an Intra-company transfer work visa, General work visa and Critical skills work visa and Business visa. Visitor's visas may also be issued to accompanying family members and study visas may be issued to those who are required to attend school.

## Annual budget announcement

The Minister of Finance generally presents the annual budget in February each year. In the budget, government expenditure for the following fiscal year is announced, as well as the manner in which such expenditure will be funded. Expenditure is predominantly funded by means of taxation. The above information contains changes and proposals presented by the Minister of Finance in February 2016.

## Bilateral trade and agreements

### Trade agreements

Favourable or reduced rates of customs duty may apply depending on the origin of goods and on whether South Africa has entered into a Trade Agreement with such territory. South Africa has entered into trade agreements with the European Union, European Free Trade Association, Southern African Development Community, Zimbabwe, Malawi and Mozambique, and is also a member of the Southern African Customs Union, which includes Botswana, Lesotho, Namibia and Swaziland. The United States of America also offers preferential customs duty treatment to qualifying goods of South African origin in terms of the African Growth and Opportunity Act (AGOA).

## Economic statistics

Prime interest rate (January 2016)	10.25%
Repo interest rate (January 2016)	6.75%
USD exchange rate (June 2015)	R11.4497
GBP exchange rate (June 2015)	R18.0031
EUR exchange rate (June 2015)	R13.7143
CPI inflation rate (January 2016)	6.2%
PPI inflation rate (January 2016)	7.6%
GDP growth rate	0.6%

## Travel information

Visa requirements	Visas are generally required for visits to South Africa (check with your local embassy)
Flights	Daily flights to and from most regional and international destinations worldwide.
Inoculations	Standard requirements.

## Currency

Local currency is the South African Rand (R/ZAR).

## Languages

English is the commercial language. South Africa has 11 official languages including isiZulu and Sesotho.

## Official holidays

- 1 January (New Year's Day)
- 21 March (Human Rights Day)
- 25 March 2016 (Good Friday)
- 28 March 2016 (Family Day)
- 27 April (Freedom Day)
- 1 May (Workers Day)
- 16 June (Youth Day)
- 9 August (National Women's Day)
- 24 September (Heritage Day)
- 16 December (Day of Reconciliation)
- 25 December (Christmas Day)
- 26 December (Day of Goodwill)

## Notes

The Public Holidays Act (Act No 36 of 1994) determines whenever any public holiday falls on a Sunday, the Monday following on it shall be a public holiday.









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