

CHARTERED ACCOUNTANTS

PHYSICAL SUITE 106, 320 SMITH STREET, DURBAN, KWAZULU NATAL, SOUTH AFRICA

POSTAL PO BOX 48619, QUALBERT, 4078

TEL + 27 31 301 3392 FAX + 27 31 301 3395

EMAIL global@sjcasa.co.za WEB www.sjcasa.co.za



MoneyTalk

Excon Amnesty, a further opportunity?

The Application deadline for the Exchange Control Amnesty was the 29 February 2004 and the Amnesty Unit is nearing the end of that Approval process.

The following write-up is extracted from a recent email from the South African Institute of Chartered Accountants (SAICA):

*The Minister of Finance has recently approved the following guidelines, which should **not** be construed as an extension of the current amnesty provisions, in respect of individuals who voluntarily approach the Exchange Control Department of the South African Reserve Bank to regularise their exchange control affairs:*

"Applications received after 2004-02-29 until the finalisation of the amnesty process will carry a general levy of between 10% and 30%. Post the finalisation of the amnesty process the levy applicable will range from 20% to 40%, which is also the range applicable to individuals who have since 2003-02-28 contravened the Exchange Control Regulations. In all these instances the individual will have the choice to repatriate his/her foreign assets. The determination of the final levy is at the discretion of the Exchange Control Department of the South African Reserve Bank and will, inter alia, depend on whether the

individual elects to retain the funds abroad or repatriate such funds.

Individuals who neither applied for amnesty nor approached the Exchange Control Department for assistance will face the full force of the law. In this regard, the Exchange Control Department is mandated to recover the full amount involved in the contravention and to report the matter to the South African Police Service for further investigation and prosecution."

As the aforementioned guidelines were issued by the Exchange Control Department of the South African Reserve Bank, it is the view of SAICA's Exchange Control Committee that the South African Revenue Services may adopt a relatively lenient attitude in handling those issues that relate to previous underpaid taxation arising from the relevant exchange control contraventions. However, no formal confirmation in this regard has been obtained from SARS.

If you have not taken advantage of the Amnesty then, you may want to seriously consider this as an opportunity now.

We have had extensive experience with Amnesty applications and will be pleased to assist you now.

This article was extracted from Tax Breaks and other sources.

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