

## General Notes - Second Schedule to the Income Tax Act

### General Note 15

GENERAL SUBJECT: APPROVAL OF FUNDS

SPECIFIC ASPECT: FUNDS REGISTERED IN THE FORMER TBVC STATES

STATUS: DECISION

BACKGROUND: Section 56(1) of the Income Tax Act, No 21 of 1995 provides for any fund which, prior to the date of promulgation of the abovementioned Act (being 19 July 1995), was approved as a benefit, pension, provident or retirement annuity fund for purposes of the relevant legislation pertaining at the time in the former TBVC states, to be deemed to have been approved as a benefit, pension, provident or retirement annuity fund for purposes of the South African principal Income Tax Act (the Act) if the rules of such a fund are (have been) submitted to this office before 29 February 1996. The Commissioner may, after having received the rules of such a fund, decide that the fund will not be deemed to be an approved fund.

DECISION: In exercising this discretion reference to the definitions of benefit fund, pension fund, provident fund and retirement annuity fund in section 1 of the Act will be made. Should a fund not comply or be able to comply with the requirements of one of the relevant definitions, the deemed approval of the fund will be withdrawn.

One of the requirements for approval of a pension, provident or retirement annuity fund is registration in terms of the Pension Funds Act, No 24 of 1956. The Registrar of Pension Funds has confirmed that a fund which was registered in the former TBVC states is regarded by him as one that is registered in terms of the Pension Funds Act, No 24 of 1956. Such funds need not, therefore, register again in terms of the aforementioned Pension Funds Act for them to comply with the requirements for income tax approval. A copy of the original registration certificate issued by the relevant former state needs, however, to be submitted to this office.

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