



Dear Sir/ Madam

INVITING TECHNICAL TAX PROPOSALS FOR ANNEXURE C OF THE 2015 BUDGET REVIEW

I. Background

The National Treasury invites taxpayers, tax practitioners and members of the public to submit any technical proposals to improve or correct current tax legislation, including the closing of loopholes and addressing of unintended anomalies. Proposals received will be considered for possible inclusion in Annexure C of the 2015 Budget Review, released as part of the 2015 Budget Review.

The Minister of Finance generally only makes tax announcements in his Budget Speech. The Budget Review provides more details, including on other matters for the upcoming tax legislation. Major tax proposals are contained in one of the chapters (normally Chapter 4), and minor or miscellaneous proposals are generally contained in an annexure called Annexure C of the Budget Review.

The proposals requested in this invitation are for Annexure C only, and not for any major tax proposals, and hence must be limited to unintended anomalies, loopholes and technical matters requiring correction in existing tax legislation. Any other correspondence on a tax policy matter or major tax proposal should be addressed (under a separate cover) to Ms Yanga Mputa, Chief Director: Legal Tax Design: Tax Policy Unit; email: yanga.mputa@treasury.gov.za

II. Criteria

Proposed Annexure C changes must fit within the current tax policy framework, and must take into account potential revenue implications, as Annexure C

proposals are not intended to have a significant revenue impact. It should further be emphasised that the timeframe for tax legislation remains limited. We therefore request that only issues that are of main concern and priority should be submitted. So please keep submissions brief and limit to a few key issues. That said, only critical matters will be considered with each matter being prioritised against other legislative tax proposals.

III. Format

Please submit your proposals in the required format so that we can properly assess their merits and importance vis-à-vis other proposals. More specifically, each proposal should contain: (i) the legal nature of the problem, (ii) a “detailed” factual description of the relevant transaction (very important!), and (iii) the nature of the businesses impacted by the problem.

All proposals should be grouped in topic areas for ease of review. These groupings should be divided as follows: (i) income tax - individuals, employment and savings, (ii) income tax - domestic business, (iii) income tax – international, and (iv) other taxes (e.g. value-added tax, mineral and petroleum royalty, etc.).

IV. Timing and workshop

Annexure C proposals should be submitted no later than 25 November 2014.

To facilitate the review process, it is intended that workshops will be held on 8 and 9 December 2014. The workshops will serve to clarify issues raised in the written submissions and assist in the prioritisation of issues. Upon completion of the workshops, recommendations for Annexure C will be transmitted to the Minister of Finance for his consideration. Any major proposals received will not be the subject of discussion at the workshops.

It should be noted that the mere discussion of proposals received before the Budget is no guarantee that the proposals discussed will eventually be included in the Budget Review. The final decision to include proposals is the prerogative of the Minister of Finance and no further correspondence will be entered into regarding the Minister’s response to proposals received.

Commentators’ formal responses to the Minister’s tax proposals normally follow after the Budget, when hearings are held in Parliament in respect of the Budget, as well as the legislation to give effect to the proposals.

Please forward written submissions to Nombasa Nkumanda at Nombasa.nkumanda@treasury.gov.za and Adele Collins at acollins@sars.gov.za by the close of business on **25 November 2014**.

Yours sincerely

**YANGA MPUTA
CHIEF DIRECTOR: LEGAL TAX DESIGN
TAX POLICY UNIT
NATIONAL TREASURY
DATE: 4 NOVEMBER 2014**