

INTERPRETATION NOTE 10 (Issue 5)

DATE: 27 August 2025

ACT : SKILLS DEVELOPMENT LEVIES ACT 9 OF 1999
SECTION : SECTION 4(c)
SUBJECT : SKILLS DEVELOPMENT LEVY EXEMPTION: PUBLIC BENEFIT ORGANISATIONS

Contents

Preamble.....	1
1. Purpose.....	2
2. Background	2
3. The law	3
4. Application of the law	4
4.1 Public benefit organisation carrying on qualifying public benefit activities	4
4.2 Public benefit organisation providing funds.....	4
5. General meaning of certain terminology in the context of section 4(c) of the Skills Development Levies Act.....	4
5.1 Public benefit organisation.....	4
5.2 Public benefit activities	4
5.3 Carries on.....	5
5.4 Provides funds.....	6
5.5 Solely	8
6. Application and administration of the skills development levy exemption.....	10
7. Conclusion.....	11
Annexure A – Public benefit activities listed in Part I for purposes of the approval as a public benefit organisation.....	12
Annexure B – Qualifying public benefit activities for purposes of the skills development levy exemption.....	17

Preamble

In this Note unless the context indicates otherwise –

- **“Commissioner”** means the Commissioner for the South African Revenue Service appointed under section 6 of the South African Revenue Service Act 34 of 1997, or the “Acting Commissioner” designated under section 7 of that Act as defined in section 1(1);
- **“Part I”** means Part I of the Ninth Schedule;
- **“PBA”** means any public benefit activity listed in Part I and any other activity determined by the Minister by notice in the *Government Gazette* to be of a

benevolent nature, having regard to the needs, interests and well-being of the general public as defined in section 30(1);

- **“PBO”** means an organisation falling within the definition of “public benefit organisation” in section 30(1) and approved by the Commissioner under section 30(3);
- **“qualifying PBAs”** means the PBAs qualifying for purposes of the exemption of the payment of SDL in paragraphs 1, 2(a), (b), (c), (d) and 5 in Part I;
- **“Schedule”** means a schedule to the Act;
- **“SDL”** means the skills development levy referred to in section 3 of the SDL Act, paid by an employer;
- **“SDL Act”** means the Skills Development Levies Act 9 of 1999;
- **“section”** means a section of the Act;
- **“TA Act”** means the Tax Administration Act 28 of 2011;
- **“the Act”** means the Income Tax Act 58 of 1962; and
- any other word or expression bears the meaning ascribed to it in the Act or the SDL Act.

All guides and interpretation notes referred to in this Note are available on the SARS website at **www.sars.gov.za**. Unless indicated otherwise, the latest issues of these documents should be consulted.

1. Purpose

This Note provides guidance on the interpretation and application of section 4(c) of the SDL Act,¹ which exempts any PBO² contemplated in section 10(1)(cN)³ from the payment of SDL, provided the PBO solely –

- carries on qualifying PBAs;⁴ or
- provides funds to PBOs solely carrying on qualifying PBAs.⁵

2. Background

The Commissioner is responsible for the administration of the SDL Act in so far as it relates to the collection of SDL payable to the Commissioner by employers.⁶

The SDL Act⁷ imposes on every employer⁸ an SDL on the total amount of remuneration paid or payable or deemed to be paid or payable by an employer to its

¹ For commentary on the basic fundamentals of the SDL Act, see the *Guide for Employers in respect of the Skills Development Levy – External Guide*.

² For commentary, see the *Tax Exemption Guide for Public Benefit Organisations in South Africa*.

³ Section 10(1)(cN) exempts the receipts and accruals of an organisation approved as a PBO.

⁴ Section 4(c)(i) of the SDL Act.

⁵ Section 4(c)(ii) of the SDL Act.

⁶ For commentary, see the *Guide for Tax Rates / Duties / Levies and Taxation in South Africa*.

⁷ Section 3(1) of that Act.

⁸ The term “employer” is defined in section 1(1) of the SDL Act to include an “employer” as defined in the Fourth Schedule. The Act defines “employer” in paragraph 1 of the Fourth Schedule as any person who pays or is liable to pay to any person any amount by way of remuneration, and any

employees⁹ during any month.¹⁰ The amount of such remuneration is the same as the amount of remuneration determined under the Fourth Schedule from which an employer is obligated to withhold employees' tax¹¹ taking into consideration certain exclusions¹² in the SDL Act.

The SDL is not payable,¹³ amongst other things, by any PBO contemplated in section 10(1)(cN), which solely –¹⁴

- carries on any qualifying PBAs; or
- provides funds to PBOs solely carrying on the qualifying PBAs.

An employer liable to pay SDL must apply in such manner as the Commissioner may determine to be registered as an employer for the purposes of SDL.¹⁵ Even an employer, that is a PBO, which is exempt from the payment of SDL must register¹⁶ with the Commissioner.¹⁷

This Note considers only the exemption of the payment of SDL by any PBO meeting the requirements of section 4(c) of the SDL Act.

3. The law

Section 4(c) of the Skills Development Levies Act

4. Exemptions.—The levy is not payable by—

- (c) any public benefit organisation contemplated in section 10(1)(cN) of the Income Tax Act, which—
 - (i) solely carries on any public benefit activity contemplated in paragraphs 1, 2(a), (b), (c) and (d) and 5 of Part I of the Ninth Schedule to that Act; or

person responsible for the payment of any amount by way of remuneration to any person under the provisions of any law or out of public funds (including the funds of any provincial council or any administration or undertaking of the State) or out of funds voted by Parliament or a provincial council. The reference to “any person” has listed exclusions.

⁹ The term “employee” is defined in section 1(1) of the SDL Act and includes an “employee” as defined in the Fourth Schedule. The term “employee” as defined in paragraph 1 of the Fourth Schedule means (a) any person (other than a company) who receives any remuneration or to whom any remuneration accrues, (b) any person who receives any remuneration or to whom any remuneration accrues by reason of any services rendered by such person to or on behalf of a labour broker, (c) any labour broker; (d) any person or class or category of person whom the Minister of Finance by notice in the *Gazette* declares to be an employee for the purposes of this definition, or (e) any personal service provider.

¹⁰ The term “month” as defined in paragraph 1 of the Fourth Schedule means any of the twelve portions into which any calendar year is divided.

¹¹ Section 3(3) of the SDL Act. The term “employees’ tax” as defined in paragraph 1 of the Fourth Schedule means the tax required to be deducted or withheld by an employer under paragraph 2 from remuneration paid or payable to an employee. For commentary, see the *Guide for Employers in respect of Employees’ Tax - External Guide*.

¹² Section 3(4) of the SDL Act.

¹³ Section 4 of the SDL Act contains a number of exemptions from the payment of SDL.

¹⁴ Section 4(c) of the SDL Act.

¹⁵ Section 5(1) of the SDL Act. For commentary, see the *External Guide – Guide for Employers in Respect of Skills Development Levy* SDL-GEN-01-G01.

¹⁶ See above.

¹⁷ Section 5(6) of the SDL Act.

- (ii) solely provides funds to public benefit organisations contemplated in subparagraph (i);

4. Application of the law

4.1 Public benefit organisation carrying on qualifying public benefit activities

An organisation claiming exemption from the payment of SDL under section 4(c)(i) of the SDL Act, must be a PBO that solely (see **5.5**) carries on (see **5.3**) any qualifying PBAs (see **5.2** and **Annexure B**).

4.2 Public benefit organisation providing funds

An organisation claiming exemption from the payment of SDL under section 4(c)(ii) of the SDL Act, must be a PBO that solely (see **5.5**) provides funds (see **5.4**) to other PBOs solely carrying on (see **5.3**) any qualifying PBAs (see **5.2** and **Annexure B**).

5. General meaning of certain terminology in the context of section 4(c) of the Skills Development Levies Act

5.1 Public benefit organisation

A PBO is an organisation that –

- carries on one or more PBAs in Part I (see **5.2** and **Annexure A**);
- complies with the prescribed requirements¹⁸ of section 30; and
- is approved by the Commissioner under section 30(3).

Section 10(1)(cN) exempts a PBO from normal tax¹⁹ on certain of its receipts and accruals.²⁰

5.2 Public benefit activities

The term “public benefit activity” as defined in section 30(1) means –

- “(a) any activity listed in Part I of the Ninth Schedule; and
- (b) any other activity determined by the Minister from time to time by notice in the *Gazette* to be of a benevolent nature, having regard to the needs, interests and well-being of the general public”.

Part I comprises 11 categories,²¹ each containing a list of specific activities qualifying as PBAs for the approval of an organisation as a PBO. See **Annexure A** for a detailed description of the PBAs listed under each category.

¹⁸ The formal conditions and requirements set out in section 30(3)(b), which an organisation must comply with to qualify for, and retain approval as a PBO.

¹⁹ The term “normal tax” as defined in section 1(1) means income tax referred to in section 5(1).

²⁰ For commentary, see Interpretation Note 24 “Income Tax: Public Benefit Organisations: Partial Taxation”.

²¹ Categories include Welfare and Humanitarian (paragraph 1), Health Care (paragraph 2), Land and Housing (paragraph 3), Education and Development (paragraph 4), Religion, Belief or Philosophy (paragraph 5), Cultural (paragraph 6), Conservation, Environment and Animal Welfare (paragraph 7), Research and Consumer Rights (paragraph 8), Sport (paragraph 9), Providing of Funds, Assets or Other Resources (paragraph 10) and General (paragraph 11).

For purposes of the exemption from the payment of SDL, the qualifying PBAs are limited to the following three categories in Part I:

- Welfare and Humanitarian (paragraph 1).
- Health Care (paragraph 2) which is limited to PBAs 2(a), 2(b), 2(c) and 2(d).
- Religion, Belief or Philosophy (paragraph 5).

See **Annexure B** for a detailed description of the PBAs listed under each of the above qualifying categories.

5.3 Carries on

The expression “carries on” is not defined in the SDL Act, and should, therefore, be interpreted according to its ordinary meaning as applied to the subject matter relating to which it is used²² unless the ordinary meaning creates an absurdity or ambiguity. It is important when giving words and expressions their ordinary meaning, to consider the context in which such words or expressions are used.

The *Cambridge Dictionary* describes the expression “carry on” as –²³

“to continue to do or be involved with something”.

The expression “carries on”, in this context, means that the PBO must itself conduct the PBAs by expending its funds in carrying on the qualifying PBAs. Whether a PBO “carries on” the relevant PBA is a question of fact and must be decided considering the facts of a particular case.

²² EA Kellaway, E. A. (1995). *Principles of Legal Interpretation of Statutes, Contracts and Wills* at page 224. Butterworths Durban. Also, see *Natal Joint Municipality Pension Fund v Endumeni Municipality* 2012 (4) SA 593 (SCA).

²³ <https://dictionary.cambridge.org/dictionary/english/carry-on> [Accessed 27 August 2025].

Example 1 – Carrying on qualifying public benefit activities

Facts:

ABC Haven NPC provides accommodation and care to neglected and abandoned children. A social worker, house parents and other essential staff employed by the home are responsible for the basic needs and care of these children. ABC Haven NPC has submitted an application for approval as a PBO.

ABC Haven NPC complies with the requirements of section 30 and will be approved by the Commissioner as a PBO because its sole or principal object is to carry on PBA 1(a) in Part I (see **Annexure A** under the category “Welfare and Humanitarian”).

Result:

ABC Haven NPC will also qualify for the exemption from the payment of SDL contemplated in section 4(c)(i) of the SDL Act, because it is solely carrying on a qualifying PBA (see **Annexure B** under the category “Welfare and Humanitarian”).

5.4 Provides funds

An organisation providing funds to other organisations may be referred to as a “conduit”²⁴ organisation. A “conduit” organisation does not itself carry on PBAs, but merely passes its funds on to other organisations, which carry on the PBAs.

Paragraph 10 in Part I deals with a PBO that is a “conduit” (see **Annexure A** under the category “Providing of Funds, Assets or Other Resources”). A “conduit” organisation may for purposes of the approval as a PBO provide funds, assets, services or other resources to any –

- PBO (see **5.1**);
- institution, board or body contemplated in section 10(1)(cA)(i) conducting one or more PBA in Part I (excluding PBA 10);²⁵
- association of persons carrying on one or more PBA contemplated in Part I (excluding PBA 10), in South Africa;²⁶ or
- department of state or administration in the national, provincial or local sphere of government of South Africa contemplated in section 10(1)(a).²⁷

The exemption from the payment of SDL under section 4(c)(ii) of the SDL Act, applies only to a “conduit” PBO (see **4.2**) that solely (see **5.5**) provides *funds* to PBOs (see **5.1**) solely carrying on (see **5.3**) qualifying PBAs (see **5.2**).

²⁴ The *Oxford Learner's Dictionaries* available online at www.oxfordlearnersdictionaries.com/us/definition/english/conduit [Accessed 27 August 2025] describes “conduit” as “a person, an organization or a country that is used to pass things or information to other people or places”.

²⁵ For commentary, see the *Tax Exemption Guide for Institutions, Boards or Bodies*.

²⁶ For commentary, see Interpretation Note 98 “The Provision of Funds, Assets or Other Resources to any Association of Persons”.

²⁷ For commentary, see the *Guide to Section 18A Approval for a Department in the National, Provincial or Local Sphere of Government*.

A “conduit” PBO providing funds to PBOs as well as to any other entity, namely, an institution, board or body, association of persons, or a department in the national, provincial or local sphere of government (non-qualifying entities) will not qualify for the exemption from the payment of SDL under section 4(c)(ii) of the SDL Act since the “conduit” PBO is not providing funds solely to PBOs.

Example 2 – Provision of funds to a public benefit organisation as well as to non-qualifying entities

Facts:

XYZ Trust was established with the object of raising funds and accepting donations from the public and corporate entities for the benefit of the following:

- Glory for All, a PBO carrying on PBA 5(a) in Part I .
- Community leaders of a rural community in a remote village to fund the cost of the installation of pipes and a water pump to ensure accessible water for community members. The community leaders are regarded as the “association of persons” referred to in PBA 10(iii) in Part I.
- PEN University, an institution, board or body contemplated in section 10(1)(cA)(i) carrying on PBA 4(b) in Part I.

XYZ Trust complies with the prescribed requirements of section 30 and will be approved by the Commissioner as a “conduit” PBO because its sole or principal object is to carry on PBA 10 in Part I (see **Annexure A** under the category “Providing of Funds, Assets or Other Resources”).

Result:

XYZ Trust provides funds to –

- a PBO carrying on a qualifying PBA (see **Annexure B** under the category “Religion, Belief of Philosophy”);
- an association of persons, a non-qualifying entity, carrying on a non-qualifying PBA for purposes of the SDL exemption (see **Annexure A** under the category “Provision of Funds, Assets or Other Resources”);
- an institution, board or body, a non-qualifying entity. carrying on a non-qualifying PBA for purposes of the SDL exemption (see **Annexure A** under the category “Education and Development”).

XYZ Trust does not qualify for the exemption from the payment of SDL contemplated in section 4(c)(ii) of the SDL Act, because it does not provide funds (see **5.4**) solely (see **5.5**) to PBOs (see **5.1**) but also to non-qualify entities.

The provision of assets, services or other resources contemplated in PBA 10 is excluded for the purposes of the SDL exemption (see **Annexure A**).

Example 3 – Provision of funds to a public benefit organisation solely carrying on a qualifying public benefit activity

Facts:

ABC Haven Trust was established with the sole object of raising funds and accepting donations from the public and corporate entities solely for the benefit of ABC Haven NPC, a PBO, solely engaged in the care of neglected and abandoned children (see **Example 1**).

ABC Haven Trust complies with the prescribed requirements of section 30 and will be approved by the Commissioner as a “conduit” PBO carrying on PBA 10 in Part I (see **Annexure A** under the category “Provision of Funds, Assets or Other Resources”).

Result:

ABC Haven Trust qualifies for the exemption from the payment of SDL contemplated in section 4(c)(ii) of the SDL Act, because it solely provides funds to ABC Haven NPC, a PBO, that solely carries on a qualifying PBA, namely, PBA 1(a) in Part I (see **Annexure B** under the category “Welfare and Humanitarian”).

5.5 Solely

The word “solely” is not defined in the SDL Act. The word “solely” is described in the *Cambridge Dictionary* as follows:²⁸

“only and not involving anyone or anything else.”

The *Dictionary.com* describes “solely” as follows:²⁹

“as the only one or ones; exclusively or only.”

The word “solely”, in this context, means that a PBO (see **5.1**) must exclusively carry on (see **5.3**) the qualifying PBAs (see **5.2**), or exclusively provide funds (see **5.4**) to PBOs (see **5.1**) that exclusively carry on the qualifying PBAs, to qualify for the exemption from the payment of SDL. The requirement of “solely” is absolute and the Commissioner has no discretion to allow any exception, no matter how insignificant.

A PBO carrying on more than one PBA, some of which are qualifying PBAs (see **5.2** and **Annexure B**) as well as other PBAs not listed in section 4(c)(i) of the SDL Act (see **Annexure A**), will not qualify for the exemption from the payment of SDL under section 4(c)(i) of the SDL Act.

²⁸ <https://dictionary.cambridge.org/dictionary/english/solely> [Accessed 27 August 2025].

²⁹ www.dictionary.com/browse/solely [Accessed 27 August 2025].

Example 4 – A public benefit organisation carrying on qualifying and non-qualify public benefit activities

Facts:

DEF Religious Centre provides church services every Sunday to its congregation. DEF Religious Centre also provides daily early childhood development services to pre-school children of the general public. The centre employs a principal, teachers, assistants as well as other essential staff to provide the early childhood development services on its premises. DEF Religious Centre has submitted an application for approval as a PBO.

DEF Religious Centre complies with the requirements of section 30 and will be approved by the Commissioner as a PBO because its principal object is to carry on PBAs 4(h) and 5(a) in Part I (see **Annexure A** under the categories “Education and Development” and “Religion, Belief or Philosophy”).

Result:

DEF Religious Centre is carrying on a non-qualifying PBA, namely, PBA 4(h) in Part I, and a qualifying PBA, namely, PBA 5(a) in Part I (see **Annexure B** under the category “Religion, Belief or Philosophy”) therefore it will not qualify for the exemption from the payment of SDL contemplated in section 4(c)(i) of the SDL Act, because it is not solely carrying on qualifying PBAs.

Similarly, a “conduit” PBO providing funds to PBOs carrying on one or more PBAs, some of which are qualifying PBAs as well as other non-qualifying PBAs for purposes of SDL as listed in section 4(c)(i) of the SDL Act, will not qualify for the exemption from the payment of SDL under section 4(c)(ii) of the SDL Act.

Example 5 – Provision of funds to public benefit organisations carrying on qualifying as well other non-qualifying public benefit activities

Facts:

HUF Trust was established with the object of raising funds and accepting donations from the public and corporate entities for the benefit of the following PBOs:

- Health 4 All established to provide healthcare services at no charge to poor and needy persons contemplated in PBA 2(a) in Part I.
- Unlocking Potential established to provide training for unemployed persons to enable them to obtain employment contemplated in PBA 4(e) in Part I.
- For the Love of Fur Babies established to care, prevent the ill-treatment and rehabilitation of animals contemplated in PBA 7(a) in Part I.

HUF Trust complies with the prescribed requirements of section 30 and will be approved by the Commissioner as a “conduit” PBO because its sole or principal object is to carry on PBA 10 in Part I (see **Annexure A** under the category “Providing of Funds, Assets or Other Resources”).

Result:

HUF Trust provides funds by way of donation to PBOs carrying on –

- PBA 2(a) in Part I, which is a qualifying PBA for purposes of the SDL exemption (see **Annexure B** under the category “Health Care”); and
- PBAs 4(e) and 7(a) in Part I, which are non-qualifying PBAs for purposes of the SDL exemption.

HUF Trust, therefore, does not qualify for the exemption from the payment of SDL contemplated in section 4(c)(ii) of the SDL Act, because it does not provide funds (see **5.4**) solely (see **5.5**) to PBOs (see **5.1**) that solely (see **5.5**) carry on (see **5.3**) qualifying PBAs (see **5.2**).

6. Application and administration of the skills development levy exemption

The Commissioner will inform an organisation applying³⁰ for PBO approval whether it has been approved as a PBO. The notification of approval as a PBO is issued by the Commissioner by letter. The notification will also confirm whether the PBO qualifies for the exemption from the payment of SDL under section 4(c) of the SDL Act. The SDL will, therefore, not be payable from the date of confirmation of the PBO approval by the Commissioner.

The approval by the Commissioner of an organisation as a PBO is generally effective from the date of the notice of approval, that is, it is prospective, unless it is granted with retrospective effect.³¹ Any amount of SDL, interest or penalty paid by an employer approved as a PBO retrospectively, which was, when applying the retrospective approval, not leviable or payable under section 4(c) of the SDL Act must be refunded to the employer within a prescribed period. The Commissioner, however, may refuse to authorise a refund,³² if the employer has failed to submit a return together with payment of the SDL³³ until the employer has submitted such return.³⁴ A request for a refund must be submitted to the SARS Service Centre. Each request for an SDL refund will be considered on its own merits and specific facts.

If at any time subsequent to the notification issued by the Commissioner confirming exemption from the payment of SDL, the PBO no longer solely (see **5.5**) carries on (see **5.3**) the qualifying PBAs (see **5.2**) or no longer provides funds (see **5.4**) solely (see **5.5**) to other PBOs (see **5.1**) solely carrying on the qualifying PBAs, the PBO will no longer qualify for the exemption of the payment of SDL under section 4(c) of the SDL Act.

³⁰ An organisation seeking approval as a PBO must complete and submit to SARS the prescribed application form EI 1 together with the required supplementary information and supporting documentation. Information on how to apply for approval as a PBO is available on the **SARS website**.

³¹ Section 30(3B). For commentary, see the *Tax Exemption Guide for Public Benefit Organisations in South Africa*.

³² Section 190 of the TA Act.

³³ Section 6(2) of the SDL Act.

³⁴ Section 6(6) of the SDL Act.

An organisation whose approval as a PBO is withdrawn by the Commissioner due to non-compliance with the provisions of section 30 will also no longer qualify for the exemption from the payment of SDL under section 4(c) of the SDL Act.³⁵ The Commissioner will notify the PBO of the withdrawal of the PBO approval by letter.

An organisation not qualifying for exemption from the payment of SDL under section 4(c) of the SDL Act is liable to pay the SDL to SARS within seven days after the end of the month or such longer period as the Commissioner determines.³⁶ A 10%³⁷ penalty will be imposed on an unpaid amount of SDL.³⁸

7. Conclusion

An organisation approved by the Commissioner as a PBO is not automatically exempt from the payment of SDL under the SDL Act. The exemption from the payment of SDL under section 4(c) of the SDL Act will apply only if the requirements of that section are met.

The obligation will be on the PBO to prove that it meets the strict requirements of section 4(c) of the SDL Act.

Leveraged Legal Products SOUTH AFRICAN REVENUE SERVICE

³⁵ For commentary on the circumstances in which the PBO approval may be withdrawn and the consequences of such withdrawal, see the *Tax Exemption Guide for Public Benefit Organisations in South Africa*

³⁶ Section 6 of the SDL Act.

³⁷ Chapter 15 of the TA Act.

³⁸ Section 12(1) of the SDL Act.

Annexure A – Public benefit activities listed in Part I for purposes of the approval as a public benefit organisation

NINTH SCHEDULE

PUBLIC BENEFIT ACTIVITIES

(Section 30)

PART I

WELFARE AND HUMANITARIAN

1.
 - (a) The care or counseling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children.
 - (b) The care or counseling of poor and needy persons where more than 90 per cent of those persons to whom the care or counseling are provided are over the age of 60.
 - (c) The care or counseling of, or the provision of education programmes relating to, physically or mentally abused and traumatized persons.
 - (d) The provision of disaster relief.
 - (e) The rescue or care of persons in distress.
 - (f) The provision of poverty relief.
 - (g) Rehabilitative care or counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial.
 - (h) The rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.
 - (i) Conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa.
 - (j) The promotion or advocacy of human rights and democracy.
 - (k) The protection of the safety of the general public.
 - (l) The promotion or protection of family stability.
 - (m) The provision of legal services for poor and needy persons.
 - (n) The provision of facilities for the protection and care of children under school-going age of poor and needy parents.
 - (o) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees.
 - (p) Community development for poor and needy persons and anti-poverty initiatives, including—
 - (i) the promotion of community-based projects relating to self-help, empowerment, capacity building, skills development or anti-poverty;
 - (ii) the provision of training, support or assistance to community-based projects contemplated in item (i); or
 - (iii) the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation.
 - (q) The promotion of access to media and a free press.

HEALTH CARE

2.
 - (a) The provision of health care services to poor and needy persons.
 - (b) The care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard.
 - (c) The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.
 - (d) The care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard.
 - (e) The provision of blood transfusion, organ donor or similar services.
 - (f) The provision of primary health care education, sex education or family planning.

LAND AND HOUSING

3.
 - (a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of persons whose monthly household income is equal to or less than R15 000 or any greater amount determined by the Minister of Finance by notice in the *Gazette* after consultation with the Minister of Housing.
 - (b) The development, servicing, upgrading or procurement of stands, or the provision of building materials, for purposes of the activities contemplated in subparagraph (a).
 - (c) The provision of residential care for retired persons, where—
 - (i) more than 90 per cent of the persons to whom the residential care is provided are over the age of 60 and nursing services are provided by the organisation carrying on such activity; and
 - (ii) residential care for retired persons who are poor and needy is actively provided by that organisation without full recovery of cost.
 - (d) Building and equipping of—
 - (i) clinics or crèches; or
 - (ii) community centres, sport facilities or other facilities of a similar nature,
 for the benefit of the poor and needy.
 - (e) The promotion, facilitation and support of access to land and use of land, housing and infrastructural development for promoting official land reform programmes.
 - (f) Granting of loans for purposes of subparagraph (a) or (b), and the provision of security or guarantees in respect of such loans, subject to such conditions as may be prescribed by the Minister by way of regulation.
 - (g) The protection, enforcement or improvement of the rights of poor and needy tenants, labour tenants or occupiers, to use or occupy land or housing.
 - (h) The provision of training, support or assistance to emerging farmers in order to improve capacity to start and manage agricultural operations.

EDUCATION AND DEVELOPMENT

4.
 - (a) The provision of education by a “school” as defined in the South African Schools Act, 1996, (Act No. 84 of 1996).
 - (b) The provision of “higher education” by a “higher education institution” as defined in terms of the Higher Education Act, 1997, (Act No. 101 of 1997).
 - (c) “Adult education”, as envisaged in section 29(1)(a) of the Constitution, including literacy and numeracy education.
 - (d) “Continuing education and training” provided by a “private college” as defined in the Continuing Education and Training Colleges Act, 2006 (Act No. 16 of 2006), which is registered in terms of that Act.

- (e) Training for unemployed persons with the purpose of enabling them to obtain employment.
- (f) The training or education of persons with a severe physical or mental disability.
- (g) The provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph (b).
- (h) The provision of educare or early childhood development services for pre-school children.
- (i) Training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government.
- (j) The provision of school buildings or equipment for public schools and educational institutions engaged in public benefit activities contemplated in subparagraphs (a) to (h).
- (k) Career guidance and counseling services provided to persons attending any school or higher education institution as envisaged in subparagraphs (a) and (b).
- (l) The provision of hostel accommodation to students of a public benefit organisation contemplated in section 30 or an institution, board or body contemplated in section 10(1)(cA)(i), carrying on activities envisaged in subparagraphs (a) to (g).
- (m) Programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in subparagraphs (a) to (h).
- (n) Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- (o) The provision of scholarships, bursaries, awards and loans for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the *Gazette*.
- (p) The provision or promotion of educational programmes with respect to financial services and products, carried on under the auspices of a public entity listed under Schedule 3A of the Public Finance Management Act.
- (q) The provision, to the general public, of education and training programmes and courses that are administered and accredited by entities contemplated in paragraph (r).
- (r) The administration, provision and publication of qualification and certification services by industry organisations recognised by an industry specific organisation and its qualifications accredited by the Quality Council for Trades and Occupations established in 2010 in terms of the Skills Development Act, 1998 (Act No. 97 of 1998).

RELIGION, BELIEF OR PHILOSOPHY

- 5. (a) The promotion or practice of religion which encompasses acts of worship, witness, teaching and community service based on a belief in a deity.
- (b) The promotion and/or practice of a belief.
- (c) The promotion of, or engaging in, philosophical activities.

CULTURAL

- 6. (a) The advancement, promotion or preservation of the arts, culture or customs.
- (b) The promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries.
- (c) The provision of youth leadership or development programmes.

CONSERVATION, ENVIRONMENT AND ANIMAL WELFARE

7.
 - (a) Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere.
 - (b) The care of animals, including the rehabilitation, or prevention of the ill-treatment of animals.
 - (c) The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects.
 - (d) The establishment and management of a transfrontier area, involving two or more countries, which—
 - (i) is or will fall under a unified or coordinated system of management without compromising national sovereignty; and
 - (ii) has been established with the explicit purpose of supporting the conservation of biological diversity, job creation, free movement of animals and tourists across the international boundaries within the peace park, and the building of peace and understanding between the nations concerned.

RESEARCH AND CONSUMER RIGHTS

8.
 - (a) Research including agricultural, economic, educational, industrial, medical, political, social, scientific and technological research.
 - (b) The protection and promotion of consumer rights and the improvement of control and quality with regard to products or services.

SPORT

9. The administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.

PROVIDING OF FUNDS, ASSETS OR OTHER RESOURCES

10. The provision of—
 - (a) funds, assets, services or other resources by way of donation;
 - (b) assets or other resources by way of sale for a consideration not exceeding the direct cost to the organisation providing the assets or resources;
 - (c) funds by way of loan at no charge; or
 - (d) assets by way of lease for an annual consideration not exceeding the direct cost to the organisation providing the asset divided by the total useful life of the asset,
 to any—
 - (i) public benefit organisation which has been approved in terms of section 30;
 - (ii) institution, board or body contemplated in section 10(1)(cA)(i), which conducts one or more public benefit activities in this part (other than this paragraph);
 - (iii) association of persons carrying on one or more public benefit activity contemplated in this part (other than this paragraph), in the Republic; or
 - (iv) department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a).

GENERAL

11. (a) The provision of support services to, or promotion of the common interests of public benefit organisations contemplated in section 30 or institutions, boards or bodies contemplated in section 10(1)(cA)(i), which conduct one or more public benefit activities contemplated in this part.
- (b) The bid to host or hosting of any international event approved by the Minister for purposes of this paragraph, having regard to—
- (i) the foreign participation in that event; and
 - (ii) the economic impact that event may have on the country as a whole.
- (c) The promotion, monitoring or reporting of development assistance for the poor and needy.
- (d) The provision of funds to an organisation—
- (i) which is incorporated, formed or established in any country other than the Republic;
 - (ii) which is exempt from tax on income in that other country;
 - (iii) the sole or principal object of which is the carrying on of one or more activities that would qualify as public benefit activities listed in Part I of this Schedule if carried on in the Republic; and
 - (iv) that carries on each of its activities—
 - (aa) in a non-profit manner;
 - (bb) with altruistic or philanthropic intent;
 - (cc) in a manner which does not directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation other than by way of reasonable remuneration; and
 - (dd) for the benefit of, or is widely accessible to the general public of that country including any sector thereof (other than small and exclusive groups).

Annexure B – Qualifying public benefit activities for purposes of the skills development levy exemption

Paragraph 1 in Part I

<p style="text-align: center;">NINTH SCHEDULE</p> <p style="text-align: center;">PUBLIC BENEFIT ACTIVITIES</p> <p style="text-align: center;">(Section 30)</p> <p style="text-align: center;">PART I</p> <p style="text-align: center;">WELFARE AND HUMANITARIAN</p>	
1.	<p>(a) The care or counseling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children.</p> <p>(b) The care or counseling of poor and needy persons where more than 90 per cent of those persons to whom the care or counseling are provided are over the age of 60.</p> <p>(c) The care or counseling of, or the provision of education programmes relating to, physically or mentally abused and traumatized persons.</p> <p>(d) The provision of disaster relief.</p> <p>(e) The rescue or care of persons in distress.</p> <p>(f) The provision of poverty relief.</p> <p>(g) Rehabilitative care or counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial.</p> <p>(h) The rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.</p> <p>(i) Conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa.</p> <p>(j) The promotion or advocacy of human rights and democracy.</p> <p>(k) The protection of the safety of the general public.</p> <p>(l) The promotion or protection of family stability.</p> <p>(m) The provision of legal services for poor and needy persons.</p> <p>(n) The provision of facilities for the protection and care of children under school-going age of poor and needy parents.</p> <p>(o) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees.</p> <p>(p) Community development for poor and needy persons and anti-poverty initiatives, including—</p> <ul style="list-style-type: none"> (i) the promotion of community-based projects relating to self-help, empowerment, capacity building, skills development or anti-poverty; (ii) the provision of training, support or assistance to community-based projects contemplated in item (i); or (iii) the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation. <p>(q) The promotion of access to media and a free press.</p>

Paragraph 2 in Part I**HEALTH CARE**

2.
 - (a) The provision of health care services to poor and needy persons.
 - (b) The care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard.
 - (c) The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.
 - (d) The care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard.

Paragraph 5 of Part I**RELIGION, BELIEF OR PHILOSOPHY**

5.
 - (a) The promotion or practice of religion which encompasses acts of worship, witness, teaching and community service based on a belief in a deity.
 - (b) The promotion and/or practice of a belief.
 - (c) The promotion of, or engaging in, philosophical activities.