



General Notes - Second Schedule to the Income Tax Act, No 58 of 1962 (the Act)

General Note 17 (Issue 2)

GENERAL SUBJECT: APPROVAL OF RETIREMENT FUNDS

SPECIFIC ASPECT: STANDARD RULES

STATUS: DECISION

BACKGROUND: Most life offices and other institutions submitting rules for approval to the Commissioner have standard rules which, in most cases, are suitably amended to accommodate the specific requirements of clients.

DECISION: These cases can be dealt with much more efficiently if the Commissioner recognises the standard rules (set of model rules) beforehand. Administrators who wish to have their set(s) of model rules approved may follow the following procedures:

1. The set of model rules (including the standard variations) is submitted to the Commissioner.
2. The Commissioner confirms in writing that the rules are acceptable and allocates a reference number to the set of rules.
3. The rules of funds that are now constituted on the basis of the set of model rules are submitted to the Commissioner following the normal procedures for approval, together with a schedule reflecting the following information:
 - The reference number of the set of model rules.
 - The name of the new fund.
 - The eligibility conditions and classes of membership.
 - The rate(s) of contribution.
 - The benefits provided.
 - Other variations to the rules which did not form part of the set of model rules.

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NB: All references to the Commissioner are references to the Commissioner for the South African Revenue Service