

Income Tax Act, 1962 (Act No. 58 of 1962)

Average exchange rates to be used in the translation of amounts in foreign currencies to South African Rand

The Income Tax Act, 1962 (the Act) provides specifically that amounts expressed in a foreign currency be translated into Rand by the application of the applicable average exchange rate.

<i>Section or other reference</i>	<i>Amount to be translated</i>
Section 6quat(4)	Foreign tax credits
Section 9D(6)	That portion of the net income of a controlled foreign company, which is included in the income of a resident participant in relation to the controlled foreign company
Section 9G	The amount to be included in gross income as a result of the disposal of a foreign equity instrument which constitutes trading stock
Section 25D(2)	The taxable income attributable to a foreign permanent establishment of a resident
Section 25D(3)	All amounts received by or accrued to, or expenditure or losses incurred by a natural person or a trust, which are denominated in a foreign currency in instances where the natural person or trust has elected to apply the average exchange rate as a method of translation
Eighth Schedule to the Act	Certain paragraphs have specific provisions regarding the use of the average exchange rate method, for example paragraph 90(2), while other paragraphs has their own translating rule, for example paragraphs 43(1), (2) and (4)