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Quick Tax Guide 2022/23
South Africa

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Individuals

Tax Rates and Rebates

Individuals, Estates & Special Trusts (1) (Year ending 28 February 2023)

Taxable income	Rate of tax
R0 – R226 000	18% of taxable income
R226 001 – R353 100	R40 680 + 26% of taxable income above R226 000
R353 101 – R488 700	R73 726 + 31% of taxable income above R353 100
R488 701 – R641 400	R115 762 + 36% of taxable income above R488 700
R641 401 – R817 600	R170 734 + 39% of taxable income above R641 400
R817 601 – R1 731 600	R239 452 + 41% of taxable income above R817 600
R1 731 601 and above	R614 192 + 45% of taxable income above R1 731 600

Note (1): Trusts for the benefit of ill or disabled persons and testamentary trusts established for the benefit of minor children.

Rebates		
Primary Rebate:	All individuals	R16 425
Age Rebate(s) *:		
Secondary Rebate	Age 65 and older	R9 000
Tertiary Rebate	Age 75 and older	R2 997

**Additional to Primary Rebate.*

Tax Threshold	
Below age 65	R91 250
Age 65 to below 75	R141 250
Age 75 and older	R157 900

Exemptions

Interest Exemption - Local Interest	
Individuals under 65 years of age:	R23 800 per annum
Individuals over 65 years of age	R34 500 per annum

Interest earned by a non-resident is exempt unless the non-resident was physically present in South Africa for more than 183 days during the 12-month period preceding the date on which the interest is received or accrued, or the debt from which the interest arises is effectively connected to a permanent establishment (PE) of that person in South Africa.

Dividends

Subject to certain exceptions, local dividends are fully exempt from income tax in the hands of the recipient. However, see comments below in respect of WHT on dividends in the form of a dividends tax. Dividends received by a South African resident individual from REITs (listed and regulated property-owning companies) are subject to income tax, while non-residents who receive these dividends are only subject to dividends tax. Foreign dividends are subject to income tax in the hands of a South African shareholder but exempt if the shareholder holds at least 10% of the equity shares and voting rights in the foreign company declaring the dividend. Foreign dividends received by individuals from foreign companies are taxable at a maximum effective rate of 20%. No deductions are allowed for expenses incurred to produce foreign dividends.

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Tax-free investments

Amounts received by or accrued to an individual in respect of particular prescribed investment instruments and policies are exempt. Contributions to these prescribed investments/policies are subject to an annual limit of R36 000. Currently, a R500 000 lifetime limit applies.

Remuneration for services rendered outside South Africa

With effect from 1 March 2020, South African residents working abroad for more than 183 days in any 12-month period, and for a continuous period of more than 60 days during that period, are exempt from income tax on remuneration for services rendered while abroad, to the extent the remuneration does not exceed R1.25 million.*

An employer can apply for a tax directive from SARS to vary the method to withhold or deduct PAYE on a monthly basis. This method would generally involve the potential foreign tax payable to be taken into account on a monthly basis when calculating the PAYE liability

*The period of 183 days was reduced to 117 days for the year ending 28 February 2021 in light of COVID-19 pandemic

Deductions and Tax Credits

Medical expenses

- Medical scheme fees tax credit:
  - Monthly credit of R347 each for the taxpayer and his/her spouse (or first dependant), and a further R234 for every additional dependant.
- Taxpayers 65 years (or older) and taxpayers with a disability (taxpayer, spouse or child):
  - 33.3% of the amount of contributions to a medical scheme as exceeds 3 times the medical scheme fees tax credit.
  - 33.3% of qualifying medical expenses paid and borne by the individual.
- Taxpayers under 65 years:
  - 25% of the aggregate of the amount of fees paid to a medical scheme as exceeds 4 times the medical scheme fees tax credit and qualifying medical expenses as exceeds 7.5% of taxable income (before medical deduction and excluding retirement lump sum benefits).

Retirement fund contributions

- A taxable fringe benefit will arise in the hands of the employee in relation to an employer's contribution to a retirement fund.
- Amounts contributed (by the employer and employee) to pension, provident and retirement annuity funds during a year of assessment are deductible by members of those funds, subject to certain limits.
- Individuals will be able to claim a deduction limited to the lesser of:
  - R350 000; or
  - 27.5% of the higher of their remuneration or their taxable income* (both excluding retirement fund lump sums and severance benefits); or
  - Taxable income* (excluding retirement fund lump sums and severance benefits) before the inclusion of taxable capital gains

Subject to certain exceptions, any excess may be carried forward to the following year of assessment and is deemed to be contributed in that following year.
*Taxable income as determined before allowing a deduction in respect of contributions to retirement funds, foreign tax deductions and donations.

Donations

Donations to certain approved public benefit organisations (PBOs) are tax deductible. The tax deduction is limited to 10% of taxable income before donations (excluding retirement fund lump sums and severance benefits). Any excess may be carried forward and is treated as a donation made in the subsequent year.

Benefits and Allowances

Travel allowances

The following table sets out the three components of the rates which may be used in determining the cost of business travel, where actual costs are not used. PAYE is withheld from 80% of travel allowances (20% is allowed in some circumstances):

Value of the vehicle (incl. VAT) (R)	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance cost (c/km)
0 – 95 000	29 836	131.7	40.9
95 001 – 190 000	52 889	147.0	51.1
190 001 – 285 000	76 033	159.7	56.3
285 001 - 380 000	96 197	171.8	61.5
380 001 - 475 000	116 438	183.8	72.3
475 001 - 570 000	137 735	210.8	84.9
570 001 - 665 000	159 031	218.0	105.5
Exceeding 665 000	159 031	218.0	105.5

- If the travel allowance is applicable to a portion of the tax year, the fixed cost is reduced proportionately.
- Where the travel allowance is based on actual distance travelled by the employee for business purposes, no tax is payable on an allowance paid by an employer to an employee, up to the rate of 418 cents per kilometer regardless of the value of the vehicle. This alternative is not available if other compensation in the form of an allowance or reimbursement (other than for parking or toll fees) is received from the employer in respect of the vehicle.
- The logbook method to claim business travelling expenses is compulsory.

The above applies in respect of years of assessment commencing on or after 1 March 2022.

Company car fringe benefit

Determination of the taxable value for all vehicles provided by an employer is as follows:

No maintenance plan	3.5% per month x determined value (retail market value* as determined by Regulation)
Maintenance plan	3.25% per month x determined value (retail market* value as determined by Regulation)
Held under operating lease (per s23A)	Costs incurred by employer under the lease plus fuel costs

*Please note that different rules apply where the vehicle was acquired by way of a lease contemplated in paragraph (b) of the definition of an "installment credit agreement" in section 1 of the VAT Act.

The value of the benefit will be reduced by any consideration paid by the employee (other than consideration relating to insurance, licensing, maintenance or fuel) for which there are specific deductions available.

On assessment, the individual can claim a deduction, against the value of the taxable fringe benefit, for business use where an employee can furnish accurate records of distances travelled for business purposes and total distances travelled. The taxable fringe benefit is also reduced where the employee has borne the full expenditure relating to maintenance, licensing, insurance or fuel in relation to the company car, and has kept accurate details thereof. 80% (or 20% in certain instances) of the fringe benefit will be included in remuneration for PAYE purposes.

Residential accommodation

The taxable fringe benefit will ordinarily be calculated by applying a prescribed formula, but it will comprise the lower of the formula and the expenses incurred in respect of the accommodation by the employer in circumstances where the employer supplied accommodation that was obtained under an arm's length transaction with an independent third party. Any consideration given by an employee for such accommodation may reduce the value of the taxable benefit which is subjected to tax.

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No taxable fringe benefit will apply in certain circumstances, including in the case of accommodation provided to employees who are away from their usual place of residence within South Africa or their usual place of residence outside South Africa (i.e. in respect of expatriate employees), subject to certain conditions and limitations.

Subsistence allowances

Subsistence allowances are tax-free if they are granted to an employee who is obliged to spend at least one night away from his or her usual place of residence whilst on business and if they do not exceed the following amounts:

Meals and incidental costs per day (Republic)	Meals and incidental costs per day (outside Republic)	Incidental costs per day
R493	Varying amounts	R152

In addition, a tax-free amount, of R152 per day may be provided to an employee who is allowed by his/her employer to incur costs on meals and other incidental costs while he/she is by reasons of his/her duties of employment obliged to spend a part of a day away from his/her usual place of work or employment.

Interest-free or low-interest loans

The difference between interest charged at the official rate and the actual amount of interest charged, is to be included in gross income as a taxable fringe benefit.

Retirement Fund Lump Sum Withdrawal Benefits

Lump sum benefits in consequence of the withdrawal of membership of a retirement fund, including amounts assigned in terms of divorce settlements in certain circumstances, other than death/retirement lump sum benefits, are taxed according to the following table:

Taxable income from withdrawal benefits	Tax payable
R1 - R25 000	0% of taxable income
R25 001 – R660 000	18% of taxable income above R25 000
R660 001 – R990 000	R114 300 + 27% of taxable income above R660 000
R990 001 and above	R203 400 + 36% of taxable income above R990 000

Note: Taxable income is cumulative and includes all lump sum payments whether on retirement (after 1 October 2007) or withdrawal (after 1 March 2009), or a severance benefit (after 1 March 2011).

Severance Benefits and Retirement Fund Lump Sum Benefits

Severance benefits are lump sums received by employees from employers in respect of the relinquishment or termination of employment for the following reasons:

- Attaining the age of 55 years.
- Due to incapacity through sickness, accident, injury or infirmity of mind/body.
- Retrenchment due to cessation of trade or general reduction in staff.

Severance benefits and lump sum awards following death, retirement or retrenchment are taxed according to the following table:

Taxable income from severance benefits	Tax payable
R1 – R500 000	0% of taxable income
R500 001 - R700 000	18% of taxable income above R500 000
R700 001 – R1 050 000	R36 000 + 27% of taxable income above R700 000
R1 050 001 and above	R130 500 + 36% of taxable income above R1 050 000

Note: Taxable income is cumulative and includes all lump sum payments whether on retirement (after 1 October 2007) or withdrawal (after 1 March 2009), or a severance benefit (after 1 March 2011).

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Companies and Trusts

Tax Rates

(Unless otherwise stated, financial years ending on any date between 1 April 2022 and 31 March 2023)

Basic rate (other than entities specified below)*	28%/27%
Companies in certain special economic zones	15%
Trusts (other than special trusts)**	45%

*Companies with years of assessment ending on any date between 1 April 2022 and 30 March 2023 – 28% of taxable income

Companies with years of assessment ending on any date on or after 31 March 2023 – 27% of taxable income

**Years of assessment ending during the period of 12 months ending on 28 February 2023.

Small business corporations (annual turnover of R20 million or less):

Years of assessment ending on any date between 1 April 2022 and 30 March 2023:

Taxable income	Rate of tax
R1 – R91 250	0 % of taxable income
R91 251 – R365 000	7% of taxable income above R91 250
R365 001 – R550 000	R19 163 + 21% of taxable income above R365 000
R550 001 and above	R58 013 + 28% of the amount above R550 000

Years of assessment ending on or after 31 March 2023:

Taxable turnover	Rate of tax
R1 – R91 250	0 % of taxable income
R91 251 – R365 000	7% of taxable income above R91 250
R365 001 – R550 000	R19 163 + 21% of taxable income above R365 000
R550 001 and above	R58 013 + 27% of the amount above R550 000

Turnover tax for micro-businesses (qualifying annual turnover of R1 million or less):*

Taxable turnover	Rate of tax
R1 – R335 000	0% of taxable turnover
R335 001 – R500 000	1% of taxable turnover above R335 000
R500 001 – R750 000	R1 650 + 2% of taxable turnover above R500 000
R750 001 and above	R6 650 + 3% of taxable turnover above R750 000

*Years of assessment ending on any date between 1 March 2022 or ending on 28 February 2023.

- Long-term insurers:
  - Individual policyholder fund 30%
  - Company policyholder fund and risk fund 28%/27%
  - Corporate fund 28%/27%
  - Untaxed policyholder fund 0%
- Gold mining companies:
  - On gold mining income 34 - (170/x)*

* Where "x" is the ratio of taxable income from gold mining to income from gold mining, expressed as a percentage.

  - On other income 28%/27%
- PBOs and recreational clubs*: 28%/27%

* Annual trading income exemption for PBOs and recreational clubs are greater of 5% of total receipts/ accruals or R200 000 and 5% of total membership / subscription fees or R120 000 respectively.

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Capital Allowances

Buildings

- Industrial (manufacture or similar process):
  - Commenced 1/7/96 – 30/9/99 10%
  - After 1 January 1989 5%
  - Other 2%
- New and unused commercial buildings (and improvements): 5%

* The s13quat urban development zone tax incentive will be extended for a further two years until 31 March 2023.

Intellectual property (see also Research and development)

- Costs incurred in acquiring (i.e. other than developing or creating):
  - Inventions, patents or copyrights 5%
  - Designs 10%

Note: Costs not exceeding R5 000 may be deducted in full. No deduction is available in respect of trademarks.

Research and development (R&D)

Costs incurred in any year of assessment:

In respect of qualifying expenditure	150%
In respect of qualifying assets	50%/30%/20%

Note: The R&D must be approved by the Minister of Science and Technology in advance to qualify for the enhanced allowance of 150%. To the extent that government grants are received to fund R&D, the expenditure so incurred does not qualify for the additional 50% allowance. Certain activities are excluded.

A discussion paper, together with an online survey to review the R&D tax incentive was published for public comment in December 2021. A workshop will be held with interested parties during 2022. To allow for certainty and planning, the incentive will be extended in its current form until 31 December 2023. The extension and potential amendments will be included in the 2022 Taxation Laws Amendment Bill.

Plant and machinery

Manufacturing or similar process (new only)	40%/20%/20%/20%
Industrial policy projects (additional investment allowance):	
- Preferred status	*55%*
- Preferred status in IDZ (SEZ)	*100%*
- Other	*35%*
- Other in IDZ (SEZ)	*75%*
Renewable energy technology equipment	50%/30%/20%
Small business corporations:	
- Manufacturing assets	*100%*
*- Other depreciable assets**	*50%/30%/20%*

* General depreciation regime optional.

Movable capital assets

Assets that are not subject to other capital allowances: Wear-and-tear at rates in terms of Interpretation Note No.47 (Issue 5) may apply. Any asset costing R7 000 or less may be written off in the year in which it is acquired.

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Older buildings, plant, aircraft and ships and R&D assets
These may be subject to allowances at different rates.

Expiry of corporate tax incentives
It is proposed that a number of the corporate tax incentives in the Income Tax Act (1962) will not be renewed when they reach their sunset date. These include:

* Section 12DA (rolling stock) on 28 February 2022
* Section 12F (airport and port assets) on 28 February 2022
* Section 12O (films), which lapsed on 31 December 2021
* Section 13sept (sale of low-cost residential units through an interest free loan) on 28 February 2022

Use of assessed losses
It was stated in the recently gazetted Taxation Laws Amendment Bill that the limitation to the offsetting of assessed losses will come into operation on the date on which the rate of tax in respect of the taxable income of a company is first reduced after announcement by the Minister of Finance in the annual National Budget. As the reduction in the corporate income tax rate has been announced and is effective for years of assessment ending on or after 31 March 2023, the utilisation of historic assessed losses will now be limited to the higher of R1million and 80% of taxable income in a specific year of assessment that ends on or after that date.

Employees’ Tax (PAYE)
Employees’ tax is withheld by an employer from any remuneration paid to an employee.

Note: All allowances paid to an employee, with certain limited exceptions, are subject to employees’ tax in full or according to a prescribed formula.

Skills Development Levy (SDL)
SDL is levied at 1% the “leviable amount”. Generally, the “leviable amount” is the total value of remuneration, which is subjected to PAYE, but it excludes amounts paid to independent contractors, severance benefit, reimbursement payments to employees, pensions paid and remuneration of learners under contract. Employers with annual payroll of less than R500 000 are exempt, as well as certain approved PBOs.

Unemployment Insurance Fund (UIF) Contributions
UIF contributions are payable monthly by employers on the basis of a contribution of 1% by employers and 1% by employees, based on employees’ remuneration below a certain amount. With effect from 1 June 2021, the contribution ceiling was increased to R17 712 per month. Employers not registered for PAYE or SDL purposes must pay the contributions to the Unemployment Insurance Commissioner.

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Employment Tax Incentive (ETI)**

Employers of qualifying employees (e.g. employees between the age of 18 and 29 years) may be eligible for a rebate, against the employees' tax payable as follows:

- First twelve months of qualifying employee's employment**:
  - 75% of an employee's monthly remuneration up to R2 000 per month. (This would only be applicable if the minimum wage prescribed by the relevant sector determination or bargaining council agreement was less than R2 000 per month).
  - For an employee with a monthly remuneration of between R2 000 and R4 500, the incentive will be R1 500 per month.
  - For employees with monthly remuneration of between R4 500 and R6 500, the value of the incentive will be between R1 500 and zero per month, as determined in terms of a formula.
- Second twelve months of qualifying employee's employment: Half of the amounts mentioned above.

The definition of "employee" was amended for ETI purposes to specify (amongst others) that the work must be performed in terms of an employment contract that adheres to record-keeping provisions in accordance with the Basic Conditions of Employment Act.

(*) Various amendments have been made to the ETI Act to curb abuses by employers who were claiming the ETI when they were not entitled to. We would therefore suggest that employers seek tax advice should it consider claiming an ETI as the abovementioned commentary merely represents high-level commentary on the ETI provisions.

(**) the values provided are proposed amendments, which if enacted will be effective 1 March 2022.

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Other Taxes, Duties and Levies

Withholding Taxes (WHTs)

Dividends tax

Dividends tax (DT) must be withheld from dividends at a rate of 20% by local companies and foreign companies on shares listed on the Johannesburg Stock Exchange (JSE). The rate may be reduced in terms of Double Taxation Agreements (DTAs). Exemptions apply for domestic retirement funds, PBOs and domestic companies. Certain requirements have to be complied with in order for the exemption or reduced rate to apply.

Other payments to non-residents#

Royalties*	15%
Interest**	15%
Foreign sportsmen and entertainers who perform in SA	15%
Fixed property acquired in SA from a seller that is a non-resident:	
If the non-resident is a natural person	*7.5%*
If the non-resident is a company	10%
If the non-resident is a trust	*15%*

Note: WHT is not payable on fixed property if the total amount payable for the immovable property does not exceed R2 million.

\# Certain of these rates may be reduced by DTAs.

* The WHT on royalties is a final tax levied at 15%.The WHT does not apply to amounts derived by non-resident companies from a branch or agency in South Africa, or to amounts relating to the use of certain copyrights in printed publications, or royalties paid to any controlled foreign company.

** Certain exemptions apply (e.g. government bonds, listed debt and local collective investment schemes).

*** South Africa does not levy withholding tax on service fees. Certain transactions may however give rise to a requirement to formally report the arrangement to SARS.

Capital Gains Tax (CGT)

Inclusion rates*	
Individuals, special trusts and individual policyholder funds	40%
Other taxpayers	80%

Exclusions	
Individuals, special trusts and individual policyholder funds	R40 000
Companies	nil
Individuals in year of death	R300 000
Primary residence exclusion on the disposal of a primary residence	R2 million gain/loss
Small business assets (persons over age 55 and market value of assets not more than R10 million)	R1.8 million

Value-Added Tax (VAT)

Rates: 15% and 0%

The VAT registration threshold is R1 million of taxable supplies per annum. A vendor making taxable supplies of more than R50 000, but not more than R1 million per annum, may apply for voluntary registration. Non-residents that carry on an enterprise in South Africa are required to register. Certain supplies are zero-rated or exempt from VAT.

Provisional Tax

A provisional taxpayer is a company or any person that earns income other than remuneration or an allowance/advance payable by the person's principal. It also includes any person who earns remuneration from an employer not registered for PAYE in South Africa.

An individual is not required to pay provisional tax if he/she does not carry on any business, and the individual's taxable income:

- Will not exceed the tax threshold for the tax year; or
- From interest, dividends, foreign dividends, rental from the letting of fixed property and remuneration from an employer not registered for PAYE will be R30 000 or less for the tax year.

Provisional tax payments (made twice per annum, with a voluntary third payment) represent tax on expected income. For taxpayers with taxable income of less than R1 million, the second provisional payment must equal the lower of the "basic amount" (calculated with reference to the previously assessed income for the latest tax year) or 90% of actual taxable income. For taxpayers with taxable income of more than R1 million, an estimate that is equal to at least 80% of the taxable income for the year is required for the second provisional tax payment. A penalty will be levied if the estimate does not meet the required percentage of actual taxable income.

Donations Tax

Value of donation	Rate
R0 to R30 000 000	20% on the value of property donated since 1 March 2018
Exceeding R30 000 000	25% on the value of property donated since 1 March 2018

The first R100 000 of property donated in each year by a natural person is exempt from donations tax. For taxpayers who are not natural persons, the exempt donations are limited to casual gifts not exceeding R10 000 per annum in total.

Dispositions between spouses, SA group companies and donations to certain public benefit organisations, are exempt from donations tax.

Estate Duty

Value of estate	Rate
R0 to R30 000 000	20% of the dutiable amount of a deceased estate
Exceeding R30 000 000	25% of the dutiable amount of a deceased estate

Estate duty is levied on the dutiable amount of a deceased estate (property of residents and South African property of non-residents). Deductions include a standard deduction of R3.5 million per estate (R7 million for a married couple) and certain other deductions, the most important of which is the deduction for property accruing to a surviving spouse.

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Transfer Duty

Paid on acquisition of immovable property where the transaction is not subject to VAT. Transfer duty is also payable on the acquisition of residential property through an interest in a company or trust. The rates of duty are as follows:

Value of property	Rate
R1 to R1 000 000	0% of property value
R1 000 001 to R1 375 000	3% of property value above R1 000 000
R1 375 001 to R1 925 000	R11 250 + 6% of property value above R1 375 000
R1 925 001 to R2 475 000	R44 250 + 8% of property value above R1 925 000
R2 475 001 to R11 000 000	R88 250 + 11% of property value above R2 475 000
R11 000 001 and above	R1 026 000 + 13% of property value exceeding R11 000 000

Securities Transfer Tax (STT)

STT is a tax levied on the transfer or cancellation of any listed and unlisted security. The STT rate is 0.25%.

Tax on International Air Travel

An amount of R190 is imposed per passenger departing on international flights, excluding flights to Botswana, Namibia, Lesotho and eSwatini, in which case the tax imposed is R100 per passenger.

Carbon Tax

The budget announced an increase in the carbon tax rate from R134 to R144/tCO2e (effective from 1 January 2022) on taxable greenhouse gas (GHG) emissions. The increase will also reflect as an additional 1c/litre in the fuel levy (effective from 6 April 2022) bringing the total carbon tax related fuel levy to 9c/litre petrol and 10c/litre diesel.

Exchange Control

During the 2020 budget it was announced that a modernisation of the current foreign exchange system will be phased in over the ensuing twelve months. It was envisaged that by end February 2021 a new system would be in place but during the 2021 budget it was stated that National Treasury and the Reserve Bank are continuing to work on and develop the new legislative framework. The anticipation was that it would be ready for implementation early in 2022.

This has not materialised and, in the 2022 budget, it is simply stated that National Treasury continues to modernise South Africa's capital flows management framework.

It appears that, in practice, this will now be an ongoing process over a period of time rather than a once off implementation of a new system.

In line with the policy to modernise the capital flows management framework, further proposals have been made, which will include the following:

Individuals

1. Will be able to export dual listed domestic securities to a recognised foreign share exchange provided it falls within the R 1 million discretionary allowance and/or the R 10 million foreign capital allowances available to natural persons. This will need to be advised to the exchange control authorities and all tax and money - laundering requirements will apply;
2. May now use their single discretionary allowance to participate in online foreign exchange trading activities but may not use credit or debit cards for this purpose;
3. May now retain gifts from non-residents offshore without first seeking approval from the exchange control authorities;
4. May lend or dispose of authorised/regularised foreign assets to other South African residents subject to local tax disclosure and compliance. This dispensation does not apply retrospectively, and previous transactions of this nature will still require regularisation;
5. Will now be able to transfer in excess of R 10 million, for investment purposes, via offshore trusts subject to all the conditions previously required, i.e. tax clearance from SARS and approval from the Financial Surveillance Department of the Reserve Bank;
6. Remaining cash balances of up to R 100 000 of individuals who have ceased to be resident for tax purposes will become transferable without the need for further approval.

Companies

1. Following on from a 2020 announcement to classify all inward listed debt securities referencing foreign assets as local, there were requests for a review of this decision. Following public consultation, it has now been decided that all debt securities referencing foreign assets and listed on South African stock exchanges, to remain classified as foreign;
2. The foreign direct investment limit for companies investing abroad will be raised from R 1 billion to R 5 billion subject to tax and reporting conditions being met;
3. Companies will be able to retain excess profits and income from their offshore branches and offices abroad subject to fulfilling reporting requirements;
4. Parent companies will be able to transfer, via their local banks, increased amounts to their domestic treasury management companies for the purpose of new offshore investments, expansions as well as other transactions of a capital nature. The previous limit for listed companies has been raised from R 2 billion to R 5 billion and for unlisted entities from R 1 billion to R 3 billion.

Institutional investors

1. The previous limits of 40 and 30% respectively applicable to various institutional investors have now been consolidated in a new limit of 45%, including the 10% African allowance, for all institutional investors.
2. Institutional investors will now be able to open and conduct foreign currency accounts with local banks which are authorised dealers. These accounts are to be used for funding purposes and to receive disinvestment proceeds from abroad, which are destined to be reinvested offshore.

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