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SA - 4 >  
CODESA  
WORKING GROUP 4  
SUB-GROUP 3  
MEETING 9 MARCH 1992  
AGENDA : ITEM 3.1  
(Paragraph : B.3 - "TAXATION" of the Minutes of the  
meeting held on 18 February 1992)



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BOPHUTHATSWANA CISCHEI TRANSKETL VENDA

lee INCOME TAX:

(a) Company

Normal Tax 48% 40% 48% 35% 48%

\*x(see note 1) \*x(see note 2)

(o)) Wachiwicwimals

(i) Maximum rate 43% married/ 35% 203% 27% Same as RSA

unmarried

38% married

women

(ii) Taxable income at R80 000 R35 000 R25 000 R40 000 Same as RSA

which maximum rate |married \*x(see note 3)

becomes effective

R56 000 No difference |No difference |No difference

unmarried between between between

married and Married and married and

R40 000 unmarried unmarried unmarried

Married women

(iii)Fringe benefits Taxable Taxable Not taxable Not taxable Taxable

\*(see note 4)

Ze WAGE 10% Same as RSA Same as RSA Same as RSA Same as RSA

x(see note 5)

x((Seer mote 5Â»)

k(see note 5)

k(see note 5)

BOPHUTHATSWANA

CISKEI

TRANSKEL

VENDA

(a)

(b)

(e) )

(d)

(e)

(Gis)

(g)

(h)

VARIOUS WITHHOLDING  
TAXES

Non-residents  
shareholders tax

Non-residents tax  
on interest

Royalties  
(non-residents)

Rental income  
(non-residents)

Management fees  
(non-residents and  
external companies)

Remuneration  
(non-residents)

Partnership profits

(non-residents)

Professional  
services and  
construction  
(non-residents)

15%

x see note 7

15%

tS)

15%

40%

PhS

20%

20%

203%

20%

158

\*(see note 6)

10%

X(see note 6)

10,53

10,5%

15%

10%

15%

BOPHUTHATSWANA

CISKEI

TRANSKET

VENDA

(b)

(G) )

(3)

(atm )

(d)

(e)

(ic)

(g)

OTHER

Donations tax

Estate duty

Free Tam OUI ReSY,

Companies

Individuals

Stamp Duty

Undistributed

Profits Tax

(Companies)

Levy on financial

services

Marketable

securities tax

15%

15%

5%

1% on R30 000

3% on excess

Levied at  
various  
rates

O, VD

1%

Levied

Levied

Withdrawn

Levied

Uses RSA Act  
as in  
operation in  
1982

Levied

Levied

SSS

Same as RSA

Levied: Uses  
RSA Act as  
in operation  
on 13/09/79

Soo



## INULTHD

1. South African gold mines are taxed at a special formula, which is based on the profitability of each mine separately while normal trading companies and mining companies (other than gold mines) are taxed at 48%. South African long-term insurers' taxable incomes are also taxed in accordance with a special formula and at a rate of 43%. Whether different rates and formulas

are applicable to mining companies and insurers in the TBVC countries, can not be ascertained at present.

2. In Ciskei all companies are exempt from normal tax, except companies which receive decentralisation benefits. Companies which receive such benefits may apparently make a choice

in respect of the taxability of the benefits, which will have a direct influence on the quantum of the benefit.

3. In Bophuthatswana farming income of individuals who are residents of that Siedler mes Olemlecse cle

4. In Venda fringe benefits are in accordance with general legislation taxable, but there is at

present no specific legislation which regulates the valuation of such benefits.

5. Gambling activities in the TBVC countries are taxed at a zero-rate. Such countries, however,

levy a separate type of tax on activities of this nature at rates which vary.

6. The withholding taxes deductible from dividends distributed by companies which are managed and controlled in Transkei and from interest paid by banks and building societies, are applicable to both residents and non-residents. These withholding taxes are final taxes in that dividend and

interest income is not required to be reflected in income tax returns.

7. In the RSA royalties are taxed at normal tax rates. Taxable income from this SOQUIEC  
S 1S, ico  
practical purposes, determined on the basis of 30% of gross royalty income in respect o  
f, f  
example, patents, trade marks, designs and copyrights.

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NB: I would like to mention that the above information in respect of the TBVC countries  
was  
gathered at very short notice and from various sources. Some of this information may no  
t be the

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## CUSTOMS AND EXCISE

The Southern African Customs Union Agreement between the Republic of South Africa, the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia and the Kingdom of Swaziland (the so-called BLNS countries) is also applicable to the TBVC countries by way of separate bilateral economic agreements which were concluded with the RSA upon each of the TBVC countries attaining independence.

The combined areas of the RSA, BLNS and TBVC countries are referred to as the common customs) area (CGA):

In terms of Articles 4 and 10 of the Agreement, it is incumbent upon all other member states to apply the same customs tariff and customs duties and similar customs and excise laws in force in South Africa from time to time in respect of goods imported from outside the CCA.

As far as excisable products in terms of Article 8 are concerned, the same excise duties as in force in South Africa from time to time shall be applied to goods grown, produced or manufactured in other member countries.

Thus, the TBVC countries are obligated in terms of their bilateral economic agreements with the RSA, to apply the same customs tariff, customs and excise duties and similar customs and excise laws as

those administered by Customs and Excise in the RSA.

For ease of reference, copies of Articles 4, 8 and 10 of the Agreement are forwarded herewith for your information.

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- (1)
- (2)
- (3)
- (4) (a)

#### ARTICLE 4

##### CUSTOMS AND SALES DUTIES ON IMPORTED GOODS

Except as elsewhere provided herein, the customs tariff and duties and the sales duties as in force in South Africa from time to time shall be applied to goods imported into the common customs area from outside such area.

Any rebates, refunds or drawbacks of customs duty or sales duty on imported goods granted by the Government of Botswana, Lesotho or Swaziland in respect of such goods for use in or used in any industry shall be identical to any such rebates, refunds or drawbacks in force in South Africa in respect of such goods for use in or used in a corresponding industry in South Africa.

Subject to paragraph (2) and (4), all other rebates, refunds or drawbacks of customs duty or sales duty on imported goods granted by the Government of Botswana, Lesotho or Swaziland in respect of such goods shall be similar to any such rebates, refunds or drawbacks in force in South Africa.

A contracting party may grant a full rebate of the customs and sales duties in respect of goods imported into its area:

(i) for the relief of distress of persons in cases of famine and other national disaster;

(ii) under any technical assistance agreement; and

(iii) in terms of an obligation under any multilateral

international agreement to which such contracting

party is or become a party.

(b) A contracting party may, with the prior approval of the other contracting parties, grant a full rebate of the customs and sales duties in respect of goods imported into its area for such other purposes as may be agreed upon by the parties to this Agreement from time to time.

## ARTICLE 8

### EXCISE AND SALES DUTIES ON GOODS PRODUCED IN THE COMMON CUSTOMS AREA

(1)

(2)

(3)

The excise duties and the sales duties as in force in South Africa from time to time shall be applied to goods grown, produced or manufactured in the common customs area.

Any rebates, refunds or drawbacks of excise duty or sales

duty granted by the Government of Botswana, Lesotho or Swaziland in respect of goods grown, produced or manufactured in the common customs area, for use in or used in any industry shall be identical to any such rebates, refunds or drawbacks in force in South Africa in respect of such goods for use in

Or used in a corresponding industry in South Africa.

All other rebates, refunds or drawbacks of excise duty or sales duty granted by the Government of Botswana, Lesotho or Swaziland in respect of goods grown, produced or manufactured in the common customs area shall be similar to any such rebates, refunds or drawbacks in force in South Africa.

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LAWS RELATING TO CUSTOMS, EXCISE AND SALES DUTIES

Subject to the provisions of Articles 4 and 8, the Governments of Botswana, Lesotho and Swaziland shall apply laws relating to customs, excise and sales duty similar to such laws in force in

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