

External Guide
Application for Labour
Brokers Exemption

Certificate in Respect of
Employees' Tax
(IRP30A)

DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).

1. OVERVIEW

The purpose of this guide is to assist labour brokers to obtain an IRP30A exemption certificate.

Who is a Labour Broker?

A labour broker is any natural person who conducts or carries on any business whereby such labour broker for reward, provides a client with persons to render a service or perform work for such a client, or procures other person(s) for the client, for which services or work by such person(s) are remunerated by the client to the labour broker.

In terms of in paragraph 1 of the 4th Schedule to the Income Tax Act No 58. of 1962, "Employee's Tax" means the tax required to be deducted or withheld by the employer in terms of paragraph 2 from remuneration paid or payable to an Employee Tax.

What is a labour broker exemption certificate (IRP30A)?

A labour broker exemption certificate (IRP30A) is a certificate issued by SARS to qualifying labour brokers which absolves clients from having to deduct Employees' Tax from any payments made to a labour broker. Any payments made by a client to a labour broker who is not in possession of the exemption certificate (IRP30A), is subject to Employees' Tax.

The requirements to be met before an exemption certificate is issued to a labour broker

The requirements to be met for a labour broker to qualify for exemption are:

- The labour broker must carry on an independent trade and is registered as a provisional taxpayer
- The labour broker must be registered as an employer [Pay-As-You-Earn (PAYE)]
- The labour broker has submitted all returns as required by the Tax Administration Act No.28 of 2011.

The reasons for an exemption certificate not issued to a labour broker

The exemption certificate will not be issued if:

- More than 80% of the gross income of the labour broker during the year of assessment consists of, or is likely to consist of, amounts received from any one client of the labour broker or from an associated institution of the client, unless the person is a labour broker which throughout the year of assessment employs three or more full-time employees- who are:
 - On a full-time basis engaged in the business of the labour broker (i.e. of providing persons to or procuring persons for clients of the labour broker) and
 - Not connected persons in relation to the labour broker.
- The labour broker provides to any of its clients the services of another labour broker and
- The labour broker is contractually obliged to provide a specified employee of the labour broker to the client.

2. REQUEST FOR IRP30A APPLICATION FORM

• This application form can be obtained via the following channels:

- The SARS website www.sars.gov.za
- Calling the SARS Contact Centre on 0800 00 SARS (7277) or

- At a SARS branch.

3. IRP30A APPLICATION FORM COMPLETION

- Every labour broker is obliged to submit to SARS a fully completed IRP30A application together with the relevant material before the exemption certificate may be issued.

3.1 PARTICULARS OF LABOUR BROKER

- Complete the period applied for: Period from(CCYYMMDD)
- Period to (CCYYMMDD)
- Was an IRP30A application form previously submitted? Please indicate with Yes/No.

The screenshot shows the SARS IRP30A form. The title is 'Application for an Exemption Certificate in respect of Employees' Tax'. The section is titled 'Particulars of Labour Broker'. It includes fields for 'Period applied for' with 'Period from (CCYYMMDD)' and 'Period to (CCYYMMDD)' each having a 10-character grid. Below this is a question 'Was an IRP30A application form previously submitted?' with 'Y' and 'N' checkboxes. A note on the right states: 'To be completed by a labour broker as defined in paragraph 1 of the Fourth Schedule to the Income Tax Act, 1962 and submitted, with the relevant material, to the SARS branch office where the applicant is registered for Income Tax purposes - (See the General section, page 2 for definition of Labour Broker)'. The form number 'IRP30A' is in the top right corner.

3.2 PARTICULARS OF APPLICANT(LABOUR BROKER)

- Complete the particulars of the Labour Broker: First two names
- Initials
- Surname/Registered name
- Date of Birth (CCYYMMDD)
- Trading Name
- ID no
- Passport No
- Passport Country(e.g. South Africa=ZAF)
- Passport Issue date (CCYYMMDD).

The screenshot shows the 'Particulars of Applicant (Labour Broker)' section of the form. It includes fields for 'First two names', 'Surname / Registered name', and 'Trading name', each with a 20-character grid. To the right are 'Initials' (5-character grid) and 'Date of Birth (CCYYMMDD)' (10-character grid). At the bottom, there are fields for 'ID No.' (9-character grid), 'Passport No.' (9-character grid), 'Passport Country (e.g. South Africa = ZAF)' (3-character grid), and 'Passport issue date (CCYYMMDD)' (10-character grid).

3.3 PHYSICAL ADDRESS

- This is the physical address of the business i.e. the premises the business is trading from
 - If the business is trading from a flat or townhouse, the actual flat or townhouse unit number must be inserted in "unit no"
 - The name of the block or the block of flats or townhouse complex must be inserted in "complex" and
 - Where the business does not trade from a flat, townhouse or complex these fields are left blank
 - Street no
 - Street/Name of farm

- Suburb/District
- City/Town
- Country code(e.g. South Africa=ZA); and
- Postal code.

Physical Address			
Unit No.	<input type="text"/>	Complex (if applicable)	<input type="text"/>
Street No.	<input type="text"/>	Street / Farm Name	<input type="text"/>
Suburb / District	<input type="text"/>		
City / Town	<input type="text"/>		
Country code (e.g. South Africa = ZA)	<input type="text"/>	Postal Code	<input type="text"/>

3.4 POSTAL ADDRESS

- This is the address that the business would like its post to be sent to. It may be the same as its business address above or it may be a post box number or other address. If it is the same as the business address simply mark the relevant box with an "X".
 - Country code(e.g. South Africa=ZA)
 - Postal code.

Postal Address			
Mark here with an "X" if same as above or complete your Postal Address	<input type="checkbox"/>	<input type="text"/>	
		<input type="text"/>	
		<input type="text"/>	
Country code (e.g. South Africa = ZA)	<input type="text"/>	Postal Code	<input type="text"/>

3.5 TAX REFERENCE NUMBERS

- **Income Tax reference number**
 - This is the registration number that the applicant obtains from SARS when the applicant registers for Income Tax.
- **Employee's Tax reference number**
 - This is the registration number that the applicant obtains from SARS when the applicant registers for Employees' Tax, or PAYE.
- **UIF reference number**
 - This is the registration number that the applicant obtains from SARS when the applicant registers for Unemployment Insurance Fund (UIF).
- **SDL reference number**
 - This is the registration number that the applicant obtains from SARS when the applicant registers for

Skill Development levy (SDL).

- **VAT number**

- This is the registration number that the applicant obtains from SARS when the applicant registers for Value-Added Tax (VAT).

Tax Reference Numbers										
Income Tax reference number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Employees' Tax reference number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UIF reference number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
SDL reference number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
VAT registration number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3.6 HAVE THE FOLLOWING RETURNS BEEN SUBMITTED?

- Please indicate with a Yes/No if the following returns were submitted to SARS:
 - Returns for Personal Income Tax (ITR12)
 - Returns for Corporate Income Tax (IT14 and/or ITR14)
 - Returns for Provisional Tax (IRP6)
 - PAYE Reconciliation Statement (EMP501)
 - PAYE/SDL/UIF Return (EMP201)
 - VAT Return (VAT201).

Have the following returns been submitted?		
Returns for Personal Income Tax (ITR12)	Y <input type="checkbox"/>	N <input type="checkbox"/>
Returns for Corporate Income Tax (IT14 and / or ITR14)	Y <input type="checkbox"/>	N <input type="checkbox"/>
Returns for Provisional Tax (IRP6)	Y <input type="checkbox"/>	N <input type="checkbox"/>
PAYE Reconciliation Statement (EMP501)	Y <input type="checkbox"/>	N <input type="checkbox"/>
PAYE / SDL / UIF Return (EMP201)	Y <input type="checkbox"/>	N <input type="checkbox"/>
VAT Return (VAT201)	Y <input type="checkbox"/>	N <input type="checkbox"/>

3.7 THE PARTICULARS OF REPRESENTATIVE TAXPAYER

- Complete the particulars of the representative:
 - Capacity
 - Surname
 - First Name
 - Other Name
 - Initials
 - Date of Birth (CCYYMMDD)
 - Date of Appointment(CCYYMMDD)
 - ID No

- Passport No
- Passport Country(e.g. South Africa=ZAF)
- Passport Issue Date(CCYYMMDD)
- Tax Practitioner Registration no.

Particulars of Representative Taxpayer										
Capacity:	<input type="checkbox"/> Tax Practitioner	<input type="checkbox"/> Treasurer	<input type="checkbox"/> Main Partner	<input type="checkbox"/> Main Trustee	<input type="checkbox"/> Public Office	<input type="checkbox"/> Main Member	<input type="checkbox"/> Parent / Guardian	<input type="checkbox"/> Accounting officer for Local / Public Authority	<input type="checkbox"/> Curator / Liquidator / Executor / Administrator (Estates)	<input type="checkbox"/>
Surname	[Grid]									
First Name	[Grid]									
Other Name	[Grid]									
Initials	[Grid]	Date of Birth (CCYYMMDD)	[Grid]	Date of Appointment (CCYYMMDD)	[Grid]	ID No.	[Grid]			
Passport No.	[Grid]	Passport Country (e.g. South Africa = ZAF)	[Grid]	Passport Issue Date (CCYYMMDD)	[Grid]					
Tax Practitioner Registration No.	[Grid]									

3.8 CONTACT DETAILS

- Email Address.
- Cell No
- Bus Tel No
- Other Tel No
- Fax no.

Contact Details										
Email Address	[Grid]									
Cell No.	[Grid]	Bus Tel No.	[Grid]	Fax No.	[Grid]					

3.9 DECLARATION

- After all the information has been completed the applicant is required to complete, print and sign the declaration. Failure to do so will result in the application being rejected.

Declaration	
I declare that the information furnished in this application is true and correct in every respect.	
Date (CCYYMMDD)	[Grid]
For enquiries go to www.sars.gov.za or call 0800 90 SARS (7277)	
XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX Please ensure you sign over the 2 lines of 'X's above	

3.10 GENERAL

- Please describe the business and motivate why the business should be regarded as a labour as defined.

General									
<small>A labour broker is any natural person who conducts or carries on any business whereby such person for reward provides a client of such business with other persons to render a service or perform work for such client, or procures such other person for the client, for which services or work such other person are remunerated by such person.</small>									
Please describe the business activities and motivate why the business should be regarded as a labour as defined above.									
[Grid]									
[Grid]									
[Grid]									
[Grid]									

- Did the business(labour broker) have more than three full-time non-connected employees in its employment throughout the year of assessment, who are engaged in the business of that labour broker who provides such persons or procures other persons to render a service or perform work for clients of the labour broker
 - Indicate with Yes/No:
 - If No is selected it means the business does not met the definition of the labour broker
 - If yes is selected please submit a schedule with details of at least three of the employees.

Did the business (Labour Broker) have more than THREE full-time non-connected employees in their employment throughout the year of assessment who are engaged in the business of that labour broker of providing persons to or procuring persons for clients of the labour broker? Y N If "YES" please submit a schedule with detail of at least THREE of the employees.

- Complete the particulars of the clients:
 - First two names
 - Initials
 - Surname/Registered name
 - Date of Birth (CCYYMMDD)
 - Trading Name
 - ID no
 - Passport No
 - Passport Country(e.g. South Africa=ZAF)
 - Passport Issue date (CCYYMMDD)
 - Company/CC Reg No
 - Income derived (complete the fields as percentages)
 - Business Tel No.

General (continued)										
Complete the particulars requested below of each of the clients of the labour broker. The income derived from each client must be stated as a percentage of the gross income of the labour broker / applicant in respect of its labour broker business. The percentage should be calculated based on income received or accrued from 12 months prior to date of application submitted or date of commencement. If more clients exists, the particulars as mentioned below of the other clients should be provided on a separate sheet										
Particulars of Client - #1										
First Two Names	<input type="text"/>								Initials	<input type="text"/>
Surname/Registered name	<input type="text"/>								Date of Birth (CCYYMMDD)	<input type="text"/>
Trading Name	<input type="text"/>								Passport issue date (CCYYMMDD)	<input type="text"/>
ID No.	<input type="text"/>	Passport No.	<input type="text"/>				Passport Country (e.g. South Africa = ZAF)	<input type="text"/>	Income derived	<input type="text"/> , <input type="text"/> %
Company / CC Reg. No.	<input type="text"/>		Business Tel No.		<input type="text"/>					
Particulars of Client - #2										
First Two Names	<input type="text"/>								Initials	<input type="text"/>
Surname/Registered name	<input type="text"/>								Date of Birth (CCYYMMDD)	<input type="text"/>
Trading Name	<input type="text"/>								Passport issue date (CCYYMMDD)	<input type="text"/>
ID No.	<input type="text"/>	Passport No.	<input type="text"/>				Passport Country (e.g. South Africa = ZAF)	<input type="text"/>	Income derived	<input type="text"/> , <input type="text"/> %
Company / CC Reg. No.	<input type="text"/>		Business Tel No.		<input type="text"/>					
Particulars of Client - #3										
First Two Names	<input type="text"/>								Initials	<input type="text"/>
Surname/Registered name	<input type="text"/>								Date of Birth (CCYYMMDD)	<input type="text"/>
Trading Name	<input type="text"/>								Passport issue date (CCYYMMDD)	<input type="text"/>
ID No.	<input type="text"/>	Passport No.	<input type="text"/>				Passport Country (e.g. South Africa = ZAF)	<input type="text"/>	Income derived	<input type="text"/> , <input type="text"/> %
Company / CC Reg. No.	<input type="text"/>		Business Tel No.		<input type="text"/>					
Particulars of Client - #4										
First Two Names	<input type="text"/>								Initials	<input type="text"/>
Surname/Registered name	<input type="text"/>								Date of Birth (CCYYMMDD)	<input type="text"/>
Trading Name	<input type="text"/>								Passport issue date (CCYYMMDD)	<input type="text"/>
ID No.	<input type="text"/>	Passport No.	<input type="text"/>				Passport Country (e.g. South Africa = ZAF)	<input type="text"/>	Income derived	<input type="text"/> , <input type="text"/> %
Company / CC Reg. No.	<input type="text"/>		Business Tel No.		<input type="text"/>					

- Does the labour broker provide the service of any other brokers to any of its clients?
 - Indicate with the Yes /No:
 - If No was selected leave the fields blank
 - If Yes is selected an explanation is required of the service of any other labour broker to any of the labour broker clients.

General (continued)																								
Does the labour broker provide the service of any other labour brokers to any of its clients? Y <input type="checkbox"/> N <input type="checkbox"/> If "YES" an explanation is required of the service of any other labour broker to any of the labour broker clients.																								

- Is the labour broker contractually obligated to provide a specific employee to render a service to any of its client?
 - Indicate with the Yes /No:
 - If No was selected leave the fields blank
 - If Yes is selected provide details of selection process followed and motivate reason for providing such employee

Is the labour broker contractually obligated to provide a specific employee to render a service to any of its clients? Y <input type="checkbox"/> N <input type="checkbox"/> If "YES" provide details of selection process followed and motivate reason for providing such employee.																								

- Who remunerates the workers of the labour broker for their services?

Who remunerates the workers of the labour broker for their services?																								

- Does the labour broker operate from its own premises, away from the client?
 - Indicate with the Yes /No:
 - If No was selected leave the fields blank,
 - If Yes is selected please state the physical business address of the labour broker
 - If the business is trading from a flat or townhouse, the actual flat or townhouse unit number must be inserted in "unit no"
 - The name of the block or the block of flats or townhouse complex must be inserted in "complex" and
 - Where the business does not trade from a flat, townhouse or complex these fields are left blank
 - Street no
 - Street/Name of farm
 - Suburb/District
 - City/Town
 - Country code(e.g. South Africa=ZA); and
 - Postal code.

Does the labour broker operate from its own premises, away from the client?		Y <input type="checkbox"/>	N <input type="checkbox"/>	Please state the physical business address of the labour broker.	
Physical Address					
Unit No.	<input type="text"/>	Complex (if applicable)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street No.	<input type="text"/>	Street / Farm Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb / District	<input type="text"/>				
City / Town	<input type="text"/>				
Country code (e.g. South Africa = ZA)	<input type="text"/>	Postal Code	<input type="text"/>		

- Is the physical business address the same as that of any the principals of the labour Broker?
 - Indicate with the Yes /No:
 - If No was selected leave the fields blank
 - If Yes is selected furnish reasons why the enterprise does not have a separate physical business address.

General (continued)	
Is the physical business address the same as that of any of the principals of the labour broker? Y <input type="checkbox"/>	N <input type="checkbox"/>
If 'YES' furnish reasons why the enterprise does not have a separate physical business address:	
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

3.11 NOTES

- Please read the notes to have a better understanding of the requirements of the IRP30A application form.

Notes
<ol style="list-style-type: none"> 1. If an exemption certificate is issued, it is based on the information submitted in this document. If the information turns out to be incorrect, or if contractual agreements other than the specimen copies submitted under paragraph 9 above are used, the exemption certificate would be invalid. 2. Your local SARS branch office must be advised of any change in trading name or postal address. 3. Exemption certificates issued are valid for a maximum period of twelve months within a specific tax year. Application for certificates must therefore be applied for on an annual basis. 4. Exemption certificates are valid from the day of application and cannot be backdated. 5. An application for an IRP30 exemption certificate must be submitted to the SARS branch office where the applicant is registered for Income Tax purposes two months prior to the expiry date of the current certificate. 6. The application form to register as a Labour Broker (IRP30A) is available on the SARS website www.sars.gov.za or at your local SARS branch office.

3.12 DOCUMENTS REQUIRED

- Please take note of the relevant material required to be able to obtain the exemption certificate on the timely manner.

Documents Required
<ol style="list-style-type: none"> 1. A signed specimen copy of contract for services used by the labour broker to contract persons for employment. 2. A signed specimen copy of a contract for work with a client in support of your application. (Must be in contract applicable to year of assessment) 3. Copy of three recent invoices issued to clients

4. ISSUING OF AN ORIGINAL/DUPLICATE LABOUR BROKER EXEMPTION CERTIFICATE

- The exemption certificate (IRP30A) will be issued and will be:
 - Posted to the applicant per registered mail.
- If an exemption certificate has been lost:
 - The labour broker must apply in writing at the SARS branch for a duplicate
 - The replacement certificate will be issued for the same period as per original certificate and will be posted to the applicant per registered post.

5. "CHANGE OF NAME" OF A LABOUR BROKER

- When a labour broker is in possession of an exemption certificate and there is a change of name, the following steps must be followed before a new certificate is issued:
- The labour broker must complete an IRP30A application and
 - Attach the following relevant material to the application:
 - A signed specimen copy of the contract for services used by the labour broker to contact persons for employment
 - A signed specimen copy of the contract for work with a client in support of the application (the contract must be applicable to the year of assessment) and
 - Copies of three recent invoices issued to clients.
- Return the original IRP30A exemption certificate with the new IRP30A application to the SARS branch.
- The new exemption certificate will be issued at Head Office and posted to the applicant per registered post.

6. SUBMISSION CHANNELS

- The completed IRP30A application form must be submitted to SARS via the following:
 - Post
 - SARs drop box or
 - At a SARS branch.

Note: An IRP30A exemption certificate is valid from the day when all requirements have been met and cannot be backdated; therefore it is advisable to submit the application (IRP30A) in advance, prior to the expiry date of the current valid certificate to ensure that the exemption certificate is issued in a timely manner.