

FINANCIAL SERVICES BOARD

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Dear Public Officer

Tax directive

The Financial Services Board recently issued a draft tax directive. Thank you for all comments received.

Please find attached the final version of the directive. This directive has an effective date of 9 December 2011 and applies to all years of assessment ending on or after the effective date of the directive.

In the event that an insurer considers that any other current liability allocated to a policyholder fund, as referred to in the directive, should be included in the value of liabilities for income tax purposes, the insurer should approach the Commissioner for SARS at the following SARS offices:

Large Business Centre
Megawatt Park
Sunninghill

or

Large Business Centre
19th Floor
22 Hans Strijdom Street
Cape Town

The Commissioner will then, in consultation with the Chief Actuary of the Financial Services Board, determine on a case by case basis whether it is appropriate for such other current liability to be included in the value of the liabilities for income tax purposes.

The request to the Commissioner should be a formal written request which must include the following information:

Board Members: AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
Prof PJ Sutherland D Turpin H M H Ratshefola D Msomi M Mnyande (Alternate)
I Momoniat O Makhubela (Alternate) **Executive Officer:** DP Tshidi

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- A comprehensive categorised list of the other current liabilities in question per policyholder fund.
- An explanation of the asset or expenditure that relate to each liability and how such asset or expenditure has been treated for income tax purposes in the relevant policyholder fund.

SARS will in due course issue an interpretation note that will deal with the treatment of assets for tax purposes.

The FSB and SARS will early in 2012 issue a joint communication that will address the determination of the value of liabilities for tax purposes for the period 2004 to the effective date of the tax directive.

Yours sincerely

MM du TOIT
Chief Actuary