

LEPPARD LEGISLATION WATCH

NOVEMBER / DECEMBER 2017

There was no Leppard Legislation Watch last month as legislation affecting our business was rather thin on the ground. This month there are quite a few more matters and we report on a mish-mash variety of pieces of legislation that affect us to a greater or lesser extent.

What to watch – selected recent developments

Financial Zone

- ❖ Administration of Estates Act: The tariff of Master's fees (both the scope and amounts) will be updated from 1 January 2018.
- ❖ Companies Act: (i) The Master's fees of office (contained in the Companies Act 1973 winding up of companies' regulations) will be updated 1 January 2018. (ii) Notice has been given that short standard private company (CoR15.1A) and short standard non-profit without members (CoR15.1C) company registrations may only be submitted electronically via any of the authorised channels listed on www.cipc.co.za (iii) Notice has been given of additional online payment methods for designated CIPC services.
- ❖ Employment Tax Incentive Act: The Taxation Laws Amendment Bill 2017 proposes amending section 4 and 7 to improve practical implementation of the Act.
- ❖ Income Tax Act: (i) The Rates and Monetary Amounts and Amendment of Revenue Laws Bill 2017 proposes confirming the 1 March 2017 (and various other dates) tax rate amendments announced at the annual national budget - to sections 6, 6A, 8, 10, 10B, 12T, 35A (from 22 February 2017), 64E (from 22 February 2017), 107 (from 1 January 2018), and the Seventh Schedule paragraph 9).
- ❖ Medical Schemes Act: A medical scheme is limited in the manner in which it may compensate brokers, including a capped amount of R90.00 plus VAT payable for accredited broker services and commission based on a prior written agreement - the nominal increase in the amount applies from 1 January 2018.

Employment and Staff Zone

- ❖ Basic Conditions of Employment Act: Amendment Bill 2017: The Amendment Bill 2017 proposes, amongst other things, the following changes: (i) Including the Employment Services Act and National Minimum Wage law in the definition of 'employment law'; (ii) That an employee earning below the earnings threshold, and who works for less than 4 hours on any day must be paid for 4 hours work on that day. (iii) Repealing the chapter on sectoral determinations, with transitional provisions stating that existing sectoral determinations (and period of operation, legal effect and copy of determination) continue to apply, except that: ▪ Learner allowances must comply with schedule 2 of the National Minimum wage law; and ▪ A wage does not apply if it is less than the national minimum wage; [*Note: Where a determination already prescribes wages that are higher than the national minimum wage, the wages, remuneration and associated benefits based on those wages must be increased proportionally to any adjustment of the national minimum wage, for a period of three years from the commencement of the National Minimum Wage law.*] and (iv) Amending the application of the Act, and the monitoring, enforcement and legal proceedings chapter of the Act to alter enforcement procedures, and to reference the National Wage, Employment Services Act and Unemployment Insurance laws.
- ❖ Basic Conditions of Employment Act: The Labour Laws Amendment Bill 2017 proposes parental leave (10 days parental leave from date child is born, adoption order is granted, or child is placed in the care of a prospective adoptive parent), adoption leave (10 consecutive weeks or parental leave for adoptive parent of a child below the age of two); and commissioning parental leave (10 consecutive weeks or parental leave for a commissioning parent in a surrogate motherhood agreement).
- ❖ National Minimum Wage Bill 2017: The National Minimum Wage Bill 2017 proposes, amongst others: (i) National minimum wage (from 1 May 2018): R20 for each ordinary hour worked; [*Note: Different wages will apply to domestic workers (R15), farm workers (R18), expanded public works programme workers (R11), and learnerships.*] (ii) Unfair practice (from 1 May 2017): To unilaterally alter wages, hours of work or other employment conditions in relation to the minimum wage implementation; (iii) Strict term: The minimum wage cannot be waived, and applies above any conflicting contract, law or collective agreement, unless provision is made for a wage that is more favourable to the worker; and (iv) General: Annual wage review.

General

- ❖ Prevention and Combating of Corrupt Activities Act: Draft Amendment Bill 2017: The Draft Amendment Bill 2017 proposes, amongst others: (i) That it will be an offence to persuade or deter an auditor, accountant or bookkeeper

from reporting an Act offence detected during the scope of his or her duties; (ii) That it will be an offence to persuade or deter a person from reporting an Act offence; (iii) A Court may indemnify from civil, criminal or disciplinary proceedings a person who complied in good faith with a duty to report a corrupt transaction; (iv) Institutions required to report in terms of section 34 have a duty to implement appropriate internal compliance programmes to ensure that the offences are in fact detected and reported; (v) Full records must be kept of all foreign trade, for 10 years from the start of each transaction, including all payments made or received; (vi) Extending the specific corrupt foreign public official offence; (vii) Defining or redefining 'facilitation payment' (which will also be referenced in 'gratification'), 'foreign public official', 'public body' (to include an organ of state), and 'public international organisation' (to include an international organisation); and (viii) Increased penalties, penalty considerations, and jurisdiction grounds will be amended. The comment deadline for the Bill is 15 January 2018.

***Leppard Legislation Watch** is a monthly newsletter providing selected updates on legislation which could have an impact on the business of Leppard Underwriting and its clients. **Leppard Legislation Watch** is not intended as legal or professional advice and is published for general information purposes only. This newsletter is not a substitute for legal or other professional advice.*

