

LEPPARD LEGISLATION WATCH

JANUARY / FEBRUARY 2018

Once again, there hasn't been too much movement on the legislative front, other than some matters arising out of the Budget, and we have combined two months into this Leppard Legislation Watch.

What to watch – selected recent developments

Financial Zone

- ❖ Financial Advisory and Intermediary Services Act: A reminder that the amended determination of fit and proper requirements for financial service providers will commence on 1 April 2018, although certain parts of the regulations have different commencement dates (see parts of regulation 13, 29, 31 to 34, 38, 44, 45, 48 and 49). The competence requirements must be read in conjunction with the transitional provisions.
- ❖ Financial Advisory and Intermediary Services Act: New fees will be payable to the Registrar of Financial Services Providers for amongst others, authorisation, compliance officer / auditor / accounting officer / independent reviewer approval, exemptions, and these will commence on 9 March 2018.
- ❖ Short-term Insurance Act: The penalty for failure to furnish the Registrar timeously with prescribed returns, information and documents will be R6 300 per day for non-compliance, from 28 February 2018.
- ❖ Income Tax Act: The Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill 2018 proposes that from 1 March 2018: (i) The donations tax rate will be 20% of the donation value as does not exceed R30m, and 25% of such value as exceeds R30m (during the immediately preceding 12 months); and (ii) Adjustments will be made to normal tax rebates, medical scheme fees tax credits, and Seventh Schedule paragraph 9 (residential accommodation rental value calculation).
- ❖ Estate Duty Act: The Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill 2018 proposes that in respect of an estate of a person that dies on or after 1 March 2018, estate duty will be 20% of the dutiable amount of estate as does not exceed R30m, and 25% of the dutiable amount of estate as exceeds R30m.

- ❖ Value-Added Tax Act: The Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill 2018 proposes: (i) Increasing the VAT rate to 15% as from 1 April 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.*

