



South African Fiscal Association

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Newsletter 4/2007

Dear members

SEMINAR: Tax and exchange control implications relating to cross border transactions

We confirm that the second seminar is going ahead on the dates set out hereunder. You may place your bookings with the ladies mentioned hereunder. Please note that this seminar is strictly limited to members and staff of corporate members.

Tax and exchange control implications relating to cross border transactions

The South African economy is booming and South Africans continue to expand their businesses offshore. Tax issues on cross border transactions therefore become more and more of an issue. In addition, although there has been a relaxation in foreign exchange controls, there are still restrictions affecting the flexibility of business people to structure offshore investments.

We plan to deal with three different topics under this heading:

A while ago SAFA presented a seminar dealing with NEPAD and the specific tax problems of investing into Africa. Following up on this topic we have secured **Martin Grote**, National Treasury's Tax Specialist to inform us on developments on this front.

Martin's presentation will cover the African record regarding tax effort vs. tax potential, the high tax compliance costs and high trade facilitation costs in Africa, Africa's poor record in terms of tax reform and relatively high profit taxes (CIT), background to work done in SADC on tax coordination and related matters.

Secondly we have secured **Chris Grove** from the South African Reserve Bank to speak about specific forex issues. For example, in terms of current policy it is not allowed to have a so called "loop" structure of an investment out of SADC and back into SADC. This places restrictions on South Africans who, for example, want to invest in a European Group that has a subsidiary in South Africa. Hopefully Chris can explain the rationale for this policy. Members are invited to forward other issues for Chris to explain.

Thirdly we plan to get someone from **SARS** to explain SARS's view on applying transfer pricing rules in a situation where there are forex restrictions.

The agenda for the seminar has not been finalised, so members are welcome to forward us further suggestions.

Dates, venues and booking details:

Date: 2 August 2007
Place: Cape Town
 PricewaterhouseCoopers
 No 1 Waterhouse Place
 Century City
Time: 18h00 to 19h30
Topic: Tax and exchange control implications relating to cross border transactions
Speakers: Martin Grote / Chris Grove/ SARS
Bookings: jolandie.james@za.pwc.com Tel no: 021- 529 2368

Date: 31 July 2007
Place: Johannesburg
 KPMG Auditorium, 85 Empire Road, Parktown
Time: 18h00 to 19h30
Topic: Tax and exchange control implications relating to cross border transactions
Speakers: Martin Grote / Chris Grove/ SARS
Bookings: Lolitha.Samlal@kpmg.co.za Tel no: 011 - 647 6836

Annual General Meeting

Notice is hereby given that the AGM for SAFA will take place at the KPMG offices in a designated room shortly before the seminar on 31 July 2007, all members are welcome to attend.

IFA Congress 2007 - Kyoto Japan

Detail on the annual IFA congress in Kyoto may be found through the IFA link on our SAFA website - www.ifa-safa.org . For those who are still interested, please find out all about the topics and dates of the congress by visiting the website which has a host of information.

Regards
Charl du Toit
President: SAFA