

Special points of interest:

- IAC WC Annual dinner:
8 December 2011

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Seasons Greetings

A couple of weeks to go and 2011 will be drawing to a close. For the IAC, 2011 was a remarkable & interesting year.

With all the changes that we as Accountants are faced with, 2012 is going to put extra challenges and pressures on the Institute and you as Professionals.

The best part of the season is remembering those who make the holidays meaningful. I wish you and your families all the love, happiness and peace the festive season brings. May it follow you into and throughout the coming year.

A.W. Bezuidenhout
President



IAC office closure

- 15 & 16 December
- Year end closure:
23 December 2011
- Opening
9 January 2012

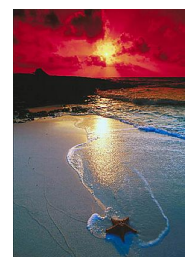
From the editor

As we draw closer to the end of yet another year we wish to congratulate the life members of the IAC and thank them for the example they set for us,

This issue focus on the recently released Tax Laws Amendment Bill.

With the new dividends tax looming, it was decided to start with a new series highlighting the intricacies of this new tax which will become effective on 1 April 2012. This newsletter also covers other taxes which tend to be forgotten as well as summarise some of the recent publications released by SARS.

As always your comments and suggestions will be much appreciated.





Medical Aid Deductions—Meaning of dependant and child

A tax payer generally receive a certain degree of relief for medical and physical impairment or disability expenditure. This relief is provided in the form of a deduction of a medical allowance for medical and physical impairment or disability expenditure paid during the tax year,

SARS recently published a Tax Guide on the deduction of medical, physical impairment and disability expenses to clarify the application of the allowance.

The allowance can only be claimed to the extent amounts are actually paid in respect of qualifying persons, e.g. Dependants.

Dependant

A dependant is defined in the Medical Schemes act to mean

- the spouse or partner,
- dependant children or
- other members of the member's immediate family in respect of whom the member is liable for family care and

support; or

- any other person who, under the rules of a medical scheme, is recognised as a dependant of a member.

Spouse

The definition of spouse is quite wide and includes a person who is the partner another person—

- in a marriage or customary union recognised in terms of the laws of the Republic;
- in a union recognised as a marriage in accordance with the tenets of any religion; or
- in a same-sex or heterosexual union which the Commissioner is satisfied is intended to be permanent

Child

The term child refers to the taxpayer's (or spouse's) own child who was alive during any portion of the year of assessment and on 28 February was unmarried and was not:

- Over the age of 18, or
- Over the age of 21 and was partially or wholly dependent for his maintenance upon the tax payer and has not become liable for the payment of income tax during that year, or
- Over the age of 26 and was partially or wholly dependent upon his maintenance and has not become liable for the payment of income tax during that year and was a full time student at an educational institution of a public nature.

A legally adopted child will be regarded as the taxpayer's own child. Foster children and other children under custodianship is not regarded as 'own' children and the allowance will not cover their medical expenses, unless the child is admitted as a dependent of the taxpayer's medical scheme.

The discipline

of writing

something

down is the

first step

toward making

it happen.

Lee Jacocca

Qualifying deductions

The following expenses will qualify for the allowance:

Amounts paid by the taxpayer during the tax year to any duly registered –

- medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor or orthopedist for professional services rendered and medicines supplied; or
- nursing home or hospital or any duly registered or en-

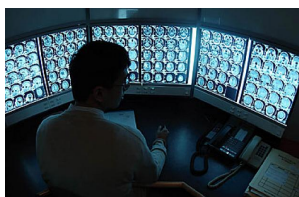
rolled nurse, midwife or nursing assistant (or to any nursing agency for the services of such nurse, midwife or nursing assistant), for illness or confinement; or

- pharmacist for medicines as prescribed by a person mentioned in the first bullet point above,

These expenses must have been incurred for the tax payer, spouse, children or any of your dependants. In the case of a "dependant" the

expenses will only be allowable if the tax payer is a member of a registered medical scheme and the dependant was, at the time that the expenses were paid, admitted as your dependant under the scheme.

The expenses must not be recoverable from the medical scheme. Expenses paid an employer on the taxpayer's behalf may be only taken into account if they resulted in a taxable benefit .



Permanent establishment and royalties—BPR 82

SARS issued a binding private ruling clarifying the tax treatment of royalties. Even though this ruling is only binding on the applicant and SARS, it does however provide some guidance on this complex matter.

The ruling clarified whether:

- The presence of a database replica and a web server in South Africa would constitute a permanent establishment;
- Interest and finance fees payable under loan agreements by borrowers to the non resident company would be exempt from income tax;
- License fees under the User Agreements should be regarded as business

profits or royalties.

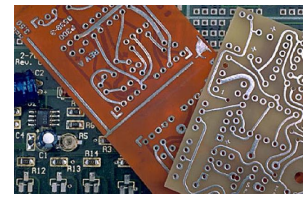
SARS ruled that:

- The Applicant and the Co-Applicant will not be carrying on a business at or through a permanent establishment located in the RSA, and will therefore not be taxable in the RSA on their respective share of partnership profits;
- The presence of the Web Server and the Database Replica in the RSA will not constitute a permanent establishment of the Applicant or of the Co-Applicant.
- Interest and finance fees payable by the Users to Partnership 2 under the

loan agreements will be exempt from income tax in the RSA in the hands of the Co-Applicant.

- The fees payable by Users to Partnership 1 under the User Agreements including software programme usage fees and ongoing connection fees as well as license fees will be business profits and not royalties and therefore will be exempt from income tax in the RSA in the hands of the Applicant.

The Ruling did not address the potential VAT impact of the transactions.



*Old age is
like everything
else. To make
a success of
it, you've got
to start
young.
Fred Astaire*

Deductibility of audit and training fees

A taxpayer is entitled to deduct expenditure actually incurred with the purpose of generating income. There may however be instances where exempt income (e.g. Dividends) is earned which may impact on the deductibility of expenses which cannot be directly attributed to income (as defined) generating activities.

In the MTN case, the judge had to decide whether the company would be entitled to deduct costs incurred in respect of audit and training fees as the company earned significant exempt income. The exempt dividend income formed a significant part of the company's revenue, far outweighing the interest and other income.

Audit fees

SARS disallowed most of the audit fees on the basis that the

majority of the taxpayer's income was exempt in nature.

The taxpayer contended (with the assistance of its auditor) that only 6% of the audit time was spent on exempt dividend income. The tax court rules that the audit fees were incurred for a dual purpose and that 50% of the deduction should be allowed. It was also mentioned that the audit was necessarily attached to the income earning activities as the taxpayer would not have been able to comply with the JSE requirements without incurring the fees. Having audited financial statements also increased creditor's confidence in the firm, allowing it to obtain loan finance which could be used to fund income earning activities.

The High Court held that expenditure is deductible if it properly relates to and is connected to the operation

and the income earning activities of the tax payer. It held that the appropriate measure for apportionment should be the work done in respect of auditing the interest income. On this basis the High Court allowed a deduction of 94% of the audit fees incurred.

Training

A further issue was the deductibility of training fees in respect of a computerized accounting system. The system enable the tax payer to consolidate financial statements, prepare budgets, forecasts and monthly reports. The High Court found that there was a direct relation between using the system and the trading activities and therefore allowed the deduction in full. Even though the system allowed the taxpayer to trade more effectively, it would not be deemed to be capital in nature.





*Kindness is
the golden
chain by
which society
is bound
together.
Johann
Wolfgang von
Goethe*

Dividend withholding tax: What is a dividend?

In terms of the new dividend definition per paragraph 7(1) (g) of the Taxation Laws Amendment Bill, a dividend means any amount transferred or applied by a SA resident company for the benefit (or on behalf of) any person in respect of any share in that company.

The amount may be transferred by way of a distribution made or as consideration for the acquisition of any share in the company.

The transfers/distributions will not be regarded as a dividend to the extent that the amount:

- Results in a reduction of contributed capital;
- Constitutes shares in that company;
- Constitutes an acquisition of the company's own securities by way of a general repurchase of securities where the JSE requirements have been met.

The definition of dividend is very wide and consequently, most of the deemed dividend rules under the old STC regime falls away as it would be caught under the new definition.

Deemed dividends—S64E(4)

Due to the wide definition of 'dividend' most distributions would be covered by this definition. One deeming provision does however remain; i.e. where amounts owing to a company by way of a loan or advance is provided to a person that is:

- not a company;
- a SA resident, and
- a connected person in relation to the company

Or

- a connected person in relation to the above person .

The loan or advance will be deemed to be a dividend if it is provided by virtue of any share.

Value of dividend

The dividend is deemed to be greater of:

- market related interest less interest paid, or
- NIL

The official rate of interest is deemed to be market related.

Foreign currency dividends should be converted at spot rate on the date it is paid .

Liability to pay dividend withholding tax

Dividends tax at a rate of 10% will be imposed on resident and non-resident 'beneficial owners' of shares when dividends are distributed, unless a specific exemption applies.

Dividends tax must be withheld by resident companies and non-resident JSE listed company ('dividend' in s64D, 'listed share', s64G), unless an exemption applies or the tax is already paid by another person. 'Intermediary' must

not withhold the tax and will only act as a conduit.

The liability to withhold tax arises on 'payment' of dividend being the earlier of:

- 'payment' defined as date dividend is paid to shareholder (s64E(2)); or
- is made available to the beneficial owner.

The tax must be paid by last day of month following payment of dividend.

The DWT rate may be lower when there is a double taxation agreement in place. Companies should therefore be aware of the potential rates which may apply. DTA's are available on the SARS website under 'Legal and Policy'



DWT exemptions for recipients

The following beneficial owners of shares may be exempt from dividend withholding tax:

- SA resident companies
- National Roads, etc.
- Certain exempt entities (approved PBOs, certain public bodies, retirement funds)
- Intermediary or life insurer
- Any sphere of SA Government
- Shareholder of a micro business (entity qualifying for new turnover tax) if dividends are within an R200k annual threshold
- A mining rehabilitation trust or company
- If the recipient is a non-resident and the dividend is paid in respect of a listed share of non-resident company.
- In specie distribution of assets within the same group of companies.

There is no withholding on payments to 'group company' (70%) shareholders.

In order to qualify for the exemption, the beneficial owner has to lodge a written declaration with the declaring company or intermediary. The declaration has to be lodged every 3 years. The recipient may be refunded where the declaration is submitted within 1 year after the dividend was paid. The company can offset this refund against other DWT payment to SARS.



What is contributed capital?

In the case of a SA resident company, contributed capital is the sum of:

- The stated capital or share capital and share premium of the company immediately before 1 January 2011 in respect of each class
- Less: any of the above amounts that would have constituted a dividend before that date if it had been distributed, (e.g. Reserves)
- Add: the consideration received or accrued for the issue of shares of that class on or after 1 January 2011;
- Less: amounts distributed to share holders of that class after 1 January 2011.

Tax payers will therefore have to keep a specific register in

respect of classes of shares, taking into account share issues as well as any distributions per class of shares.

As stated above, the return of contributed capital to shareholders is specifically excluded from the dividend definition and would therefore not be subject to dividend withholding tax.

Dividend withholding tax—What happens to STC credits?

Many companies still have STC credits available and may be worried that these credits may be lost.

Relief

Dividends will however not be subject to dividends tax to the extent that the dividends paid do not exceed the balance of 'STC credits' of company declaring dividend (s64I)

STC credits

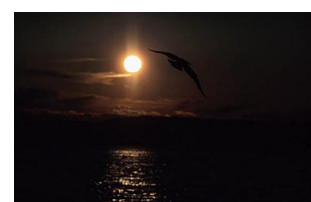
STC credits' comprise of the following:

- balance of s64B STC credits at transition date to dividends tax; plus
- dividends accrued after transition date, certified by declaring company as reducing its STC credits / effectively passes credit to recipient

STC credits are reduced by dividends paid. The certification is pro-rata'ed among shareholders in the same class and the certification must be performed 'prior to' dividend payment.

Deadline

All STC credits fall away five years after effective date. At this stage the expected effective date is 1 April 2012.



Kind words

can be short

and easy to

speak, but

their echoes

are truly

endless.

Mother

Teresa



Capital Gains Tax—Primary residence exclusion

An individual is entitled to deduct R1,5 million from any capital gain computed in relation to “the primary residence of that person”. A capital loss on a primary residence must also be reduced by R1,5 million.

The exclusion applies each time an individual disposes of a primary residence. It is not an annual or a cumulative exclusion.

Residence

A “residence” means:

“Any structure, including a boat, caravan or mobile home which is used as a place of residence by a natural person, together with any appurtenance belonging thereto and enjoyed therewith.”

Provisos

There are however some provisos to the exclusion, i.e.

- Where a primary residence is jointly owned (e.g. Husband and wife), the R1,5 million is apportioned between the capital gains or losses accruing to each individual.
- The size of the residential

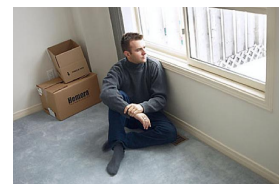
property may not exceed two hectares. If the property which is used as a primary residence exceeds that size, the proceeds of an area not exceeding two hectares must be determined as the limit against which the R1,5 million may be set off.

- Where a house is situated on a separate erf from, for example, its gardens, the exclusion only applies to so much of the separate erven as is disposed of at the same time and to the same person as the residence itself.
- Where the gross proceeds of sale of a primary residence which was never occupied or used for any other purpose, does not exceed R2 million, any gain is ignored
- Where an individual has not been continually resident in his primary residence through the period of ownership from 1 October 2001 or acquisition (whichever is the later) to the date of disposal, then several other rules need to be considered.

Continually resident

The following needs to be taken into account when the individual did not reside continually in the residence:

- Unavoidable non-occupation, e.g. Construction periods ;
- Non-residential use, e.g. Rental periods
- Certain temporary rentals can be ignored, e.g. Where the person was temporary absent from South Africa or due to employment had to stay more than 250km away from his residence.



*What we hope
ever to do with
ease, we must
learn first to
do with
diligence.
Samuel
Johnson*



Capital Gains Tax—Annual Exclusion

A natural person and special trust is entitled to an annual exclusion when calculating its taxable capital gain.

Special trust

A special trust means a trust solely for the benefit of a person suffering from mental illness or a serious physical disability.

Annual exclusion

The annual exclusion was increased from R 17 500 to R 20 000.

If the person dies during the year of assessment, that person’s annual exclusion for that year was increased from R 120 000 to R 200 000.

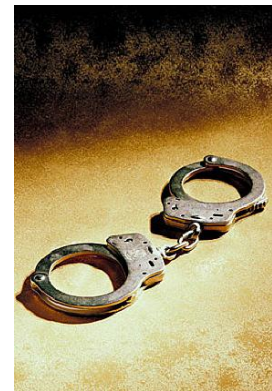
Effective date

The increased values are deemed to become effective on 1 March 2011 and will apply in respect of all years of assessment commencing on or after that date.

SDL Offences

The following actions are regarded as offences and a person could be liable (on conviction) to a fine or imprisonment not exceeding 1 year:

- Fails to apply for registration;
- Fails to pay SDL on the due date;
- Furnishes any false information in a statement or other document required in terms of the SDL Act, knowing the information to be false;
- Fails to do any of the following required in terms of the SDL Act:
 - Submit or deliver any statement or other document or thing;
 - Disclose any information
 - Reply to or answer truly and fully any question put to him
 - Attend and give evidence
- Hinders or obstructs any person in carrying out his functions in terms of the SDL Act.



SDL penalties and interest

If an employer fails to pay a levy or any part thereof on the last day of payment thereof, interest is payable on the outstanding amount at the 'prescribed rate' which is currently 8.5% per year.

Interest is calculated from the day following the last day for payment to the date payment is received. Even though the

legislation provides that the Commissioner may prescribe that interest should be calculated on the daily balances owing, compounded monthly, he has not yet regulated that interest should be compounded.

Penalties

In addition to interest, a 10% penalty is levied on amounts not paid within the prescribed time limits. The Commissioner may, having due regard to the circumstances, remit the penalty or any part thereof.

Skills Development Levy—Exemptions

The following persons are not liable to pay Skills Development Levy:

- Any public service employer in the national or provincial sphere of government
- Employers where the remuneration does not exceed 500 000 during a 12 month period;
- Public benefit organisations which solely carry on public benefit activities listed in paragraph 1,2(a),(b), (c), (d) and 5 of the 9th Schedule of the Income Tax Act;
- National or provincial public entities if more than 80% of its expenditure is defrayed from funds voted by Parliament;
- Any Municipality, if a certificate of exemption has been granted.

PBO activities

- Welfare and Humanitarian
- Provision of health care services to poor and needy persons
- Care or counseling of the terminally ill
- Prevention of HIV
- Care, counseling and treatment of HIV+ persons
- Religion, belief or philosophy

*We would
accomplish
many more
things if we
did not think
of them as
impossible.*

*Vince
Lombardi*





*The way to
gain a good
reputation is
to endeavor to
be what you
desire to
appear.
Socrates*

Headquarter companies

Treasury recently introduced the concept of a Headquarter company to make South Africa an attractive holding company destination. New restrictions, including the need for pre-approval, have been proposed by Treasury to prevent tax avoidance.

Pre-approval

Under the proposed restrictions, companies will need to obtain pre-approval from the Minister of Finance before

qualifying for the headquarter regime incentives.

Anti-avoidance

If a South African resident shareholder has a Headquarter Company between it and its CFC's, the net income of the CFC's will be imputed to the South African resident shareholder, unless an exemption applies.

If the intermediary company does not qualify as a Headquarter Company, the net income of the CFC's will be attributed to the intermediary company.

Reporting

Headquarter Companies must submit an annual report to the Minister which will enable the Minister to monitor the success of the regime and to identify any risks.

SARS Binding Rulings

Binding Class Ruling 031

Income distributed by a discretionary trust and benefit units allocated to beneficiaries by virtue of employment.

SARS ruled that:

Any distribution made by the trustees of the Trust to the Beneficiaries (Employees) will, if the distribution is made within the same year of assessment in which the dividend was received by or accrued to the Trust, retain the character of a dividend in the hands of the Beneficiaries (Employees).

Such distributions will be exempt in the hands of the Beneficiaries.

The Beneficial Units will not constitute equity instruments hands of the Beneficiaries on the basis that the rights were restricted to dividend income and did not extend to underlying capital values.

Binding Private Ruling 107

Recoupment of lease premium and rental amounts on leased property, previously allowed as deductions.

SARS ruled that:

Section 8(5) will apply to the lease premium and rental payments that were allowed as deductions in respect of the property. The Applicant must include in its income these

amounts previously allowed as deductions (limited to the fair market value of the property) in determining its taxable income.

The base cost of the property to be acquired will include the purchase price and the amounts recouped.

What's happening at SARS?

Guidelines

- Draft Guide in the Disclosure of Reorganisation Transactions
- Tax Guide for Micro Businesses 2011/2
- VAT Guide for vendors
- Tables A and B of the Average Exchange Rates in terms of the Income Tax Act, 1962

Media releases

- Media Release and Revised proposals on section 45 intra-group, hybrid share and related matters



VAT Zero-rating provisions—Basic Foodstuffs

A vendor is required to levy VAT at the standard rate of 14% on all goods and services supplies, unless there is a special exemption of zero-rating provision in the VAT Act.

The VAT Act allows the zero-rating of certain basic foodstuffs listed in Part B of the 2nd Schedule to the VAT Act, including the following:

- Brown bread

- Dried beans
- Lentils
- Pilchards
- Milk
- Rice
- Vegetables
- Fruit
- Eggs

These products will not qualify for zero-rating if supplied as part of a meal, refreshment, cooked or prepared food or any drink ready for immediate consumption when so supplied.

The seller has to retain a copy of the zero-rated tax invoice to substantiate the zero-rating.



Confirmation of VAT rulings

Binding general ruling No. 2 (BGR 2) was issued on 1 January 2007 to provide guidance on the status of written decisions (rulings) issued before 1 January 2007 and the process of obtaining confirmation of the binding nature of such rulings.

During February 2011, SARS notified vendors that the binding effect of the rulings not yet confirmed by that date would be withdrawn with effect from 1 October 2011.

Any person who has applied for, but not yet received confirmation of the binding status or withdrawal of such a ruling is therefore advised to follow up on the status of their application immediately.

Vendors relying on rulings issued by SARS to industry bodies, (e.g. apportionment methods or acceptable documentary proof) should confirm whether these bodies have received confirmation from SARS that the relevant ruling remains binding.



Inventories

can be managed, but people must be led.

H. Ross

Perot

Undetermined contract prices—VAT treatment

When goods are supplied in circumstances in which the price has not been set, a supply is deemed to take place when (and to the extent that) any payment is made or any invoice issued.

Co-ops

This provision affects co-operatives taking delivery of goods from farmers and making payment by way of 'voorskot' and 'agterskot'. The notification issued by the co-operative to the farmer indi-

cating the amount of a 'skot' due will constitute an invoice and trigger tax on the supply of the produce at the consideration notified, on the date of issue.

Sale of business

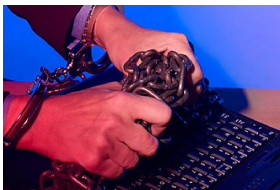
Another example would be where a business is sold and the consideration is based on future performance, e.g. Profit margins. In this instance, the contract price is determinable, and output tax liability will only arise once the considera-

tion is determined

Services

Although this rule does not apply to services, a similar effect is achieved through the progressive-supply rules. In this instance, the services will be deemed to take place whenever any payments in respect of the services becomes due, is received or invoice issued.





VAT implication of writing off an employee debt

A vendor is required to account for output tax on fringe benefits provided to employees, unless the goods or services supplied are exempt from VAT, zero-rated or can be regarded as entertainment.

A common misconception is that the waiver of an employee's debt, albeit a fringe benefit, should be regarded as an exempt financial service and thus not subject to VAT.

Releasing an employee from the obligation to pay debt is regarded as a service for VAT

purposes as the employer is giving up the right to be paid money. Even though this service falls within the definition of a 'debt security', the waiver thereof does not constitute a financial service as defined. (The definition of financial service in respect of a debt security only refers to the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security)

In absence of specific exemp-

tions, a supply made by a vendor is subject to VAT. The employer would therefore be liable for output tax on the cash equivalent of the loan written off, i.e. the amount forgiven/waived.

The amount has to be declared in the tax period during which the benefit had to be included in the employee's remuneration for employees' tax purposes.

The only safe

ship in a

storm is

leadership.

Faye

Wattleton



Fastmould case—Attachment without assessment

Background

Fastmould CC is a manufacturer of plastic injection moulds. The vendor submitted VAT and PAYE returns late and failed to pay the amounts due. SARS subsequently requested the outstanding amounts to be paid and informed the vendor that interest would be levied on the late payments. The vendor paid a portion of the tax due and entered into negotiations with SARS to arrange a repayment schedule. After numerous meetings and correspondence, the parties could not come to an agreement. SARS informed the vendor of its intention to obtain a judgment against it. The Magistrate Court rescinded the judgment on the basis that SARS did not raise an assessment prior to applying for the judgment. SARS appealed and the case was referred to the High Court. The question was whether SARS is liable to issue an assessment before a judgment can be obtained.

Assessment

Fastmould submitted returns reflecting amounts due and SARS accepted correctness of

returns. As such, there was no dispute and therefore SARS had no obligation to issue an assessment. The court held that the debt (tax) was due when SARS accepted the correctness of the returns and that SARS have the right to levy penalties and interest when payment is late.

The fact that the vendor did not dispute the amount of penalties and interest raised, supported the view that the tax amount (including penalties and interest) was known and therefore payable without any further action from SARS.

Once the debt is due, enforcement/recovery procedure must follow in order to allow the prompt collection of tax due to the fiscus. SARS still has the discretion to raise an assessment, but is not liable to do so.

Recovery of tax

Once amounts are declared on a vendor's VAT return and submitted to SARS, the net VAT amount becomes payable to SARS. The High Court held that SARS is not liable to issue

an assessment where the amount of tax due was not disputed. The Magistrate Court's decision was rescinded and Fastmould was held liable for the cost of the appeal.

SARS is therefore not required to issue an assessment for VAT purposes before engaging to apply for a judgment against the vendor.



It should also be noted that the VAT Act allows SARS to apply for a judgment at a Magistrate's Court irrespective of the value of the claim, thus the general limit of R 500 000 does not apply.

Master Currency (Pty) Ltd v SARS

SARS recently published a new judgement relating to the VAT treatment of services supplied within the duty free area of an international airport.

Background

Master Currency is a foreign exchange dealer that operates two bureaux de change in the duty free area of the departure hall of the OR Tambo International Airport. South African residents and non-residents can make use of Master Currency's services.

Master Currency would exchange foreign currency and add on a fee. It zero-rated this service based on the assumption that the services were supplied in connection with moveable property for conveyance to an export country. It also assumed that the duty free area of the Airport are not 'in the Republic' for tax purposes.

Judgement

The duty free area still falls within the Republic as defined. Money is excluded from the

definition of goods for VAT purposes. Consequently, the zero-rating provisions in terms of the Export Incentive Scheme do not apply.

The services are consumed in South Africa and would therefore be subject to VAT at the standard rate of 14%.



*A good leader
inspires people
to have
confidence in
the leader, a
great leader
inspires people
to have
confidence in
themselves.*

David P. Beretti —Honorary Life Fellowship Award

Background

David Beretti is the Executive Director: Corporate Services at the City of Cape Town, South Africa's top performing municipality with a staff complement in excess of 23 000 employees.

Born in Cape Town, he attended Cape Town High School and started his career in the trainee accountant programme at the City. He has subsequently occupied Senior Management positions in the HR, Corporate Finance, City Engineers, City Planners and City Administration departments of the City of Cape Town.

He was appointed as the City's first Director of Human Resources and successfully established the function. He set a precedent for the function within municipalities in the country by positioning HR as a strategic partner to line management.

Over a career of more than 35 years he has developed the competence to fully comprehend the environment of a Metropolitan City from a managerial and political perspective.

Education

David has extensive knowledge, academic qualifications and experience of the City and Local Government Management, particularly in the fields of HR, Law, Information Systems and Technology, Finance and Administration.

David was educated at the University of

South Africa and the University of Cape Town and holds the following qualifications: Bachelor of Commerce, Masters Degree in Public Administration, Diploma Institute of People Management, Diploma Institute of Local Government Management and Diploma Institute of Administration and Commerce.

Impact

David has led and shaped the HR function in the City through a number of restructurings, the amalgamation of seven municipalities into a Metro, to currently leading the Corporate Services Directorate of which HR Management with all its key components is a critical area.

His well developed leadership competencies, together with his conceptual and analytical thinking has enabled him to create a compelling and sustainable vision for people issues in the City.





*A leader is
one who knows
the way, goes
the way, and
shows the
way.*

*John C.
Maxwell*



IAC AGM Feedback—1 November 2011

The IAC – AGM 2011 was held at the Protea Hotel , Sea Point on Friday 28th October 2011.

The following members attended:

	Member Name	Membership No.
1	Terry Andalis	654930
2	Donovan Brinders	652999
3	Vic de Valdorf	633546
4	Francois de Villiers	619786
5	Heidi Ernstzen	653423
6	Theodorus Herselmann	654595
7	Jonathan January	617868
8	Jeremy Josias	654966
9	Jacqueline Mamba	655122
10	Varughese Mammen	652797
11	Jean Maritz	652194
12	Stephen Ndlangamandla	652191
13	Ivan Neethling	383015
14	Leaticia Nortje	655095
15	Martin Paulse	654382
16	Vivien Salie	655083
17	Elana April	654713
18	Shafiek Tassiem	653888
19	Dean Wingrin	623600
20	Charles Sivewright	655032

Honorary Guests

Mr. David P.Beretti 016462
Mr.Gordon C.Webb 607266

Directors of the IAC

Mrs. Joey Badenhorst 651699
Mr.Andrew W.Bezuidenhout 649541
Mr.Michael A. Biermann 650942
Mr.Derek Johnstone 654587
Hon. P. Chiota Zim

IAC AGM Feedback—1 November 2011 (cont.)

Chief Executive Officer IAC- SA
Mr.Ehsaan Nagia

Chief Executive Officer IAC-ZIM
Mr.Jabulani Dube

IAC STAFF MEMBERS

Haniefa Benjamin	-	Marketing Officer
Soraya Busch	-	Membership Officer
Abeeda Inglis	-	Frontline Officer
Wasielah Ruiters	-	Personal Assistant
Duncan Stark	-	Finance Officer

IAC Board for 2012 will comprise as follows:

Mr.Andrew W.Bezuidenhout	-	President
Mr.Derek Johnstone	-	Vice-president

Free State

Mrs. Joey Badenhorst	-	Director
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Gauteng

Mr.Michael A.Biermann	-	Director
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Western Cape

Mr.Ivan Neethling	-	Director
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Zimbabwe

Hon. P. Chiota

Honorary Life Fellowship Presentations

Mr.Gordon C.Webb and Mr.David P.Beretti were both presented with Honorary Life Fellowship Awards at the 2011 AGM. Both members thanked the Institute for the honour.

The meeting was well attended and finger snacks were served after the meeting where members had the opportunity to socialize and network.

The management and staff would like to take the opportunity to thank all those who attended and for making the event a success.



*Leaders are
more powerful
role models
when they
learn than
when they
teach.*

*Rosabeth
Moss Kantor*



**2012
IAC Board**



*Successful
people
understand
that time is
the most
important
commodity on
earth.
John C.
Maxwell*



Welcome to our new members

Financial Accountant in Practice (Accounting Officer)		
Practice Number	Name	
AO 655115	C	Vakis
AO 655127	N	Ismail
AO 655106	S	Lesar
AO 654961	B.M	Lawrie
AO 655069	M	Asmal
AO 655129	G	Govender
AO 293768	R	Gibbs
AO 655122	N.J	Mamba
AO 654725	G.V	Dladla
AO 655128	M	Dyushu
AO 655126	D	Botha
AO 654478	G.B	Mothoagae
AO 655138	R	Huang

Close Corporation as Accounting Officer	
Practice Number	Name
AO 655125	Black Jersey Consulting CC

Financial Accountant in Commerce		
Membership No	Name	
IAC - FAC 655131	R.G.L	Raw
IAC - FAC 655137	R	Swanepoel

Accounting Technician		
Membership No	Name	
IAC -AT 277568	J	Mentor
IAC - AT 648747	J.M	Swanepoel
IAC - AT 655136	N.C	Baloyi
IAC - AT 655143	R.L	Rolo

Student		
Membership No	Name	
IAC - 655141	B	Abreu
IAC - 655142	H.B	Muller

2012 Membership fees

The Board has approved the following fees in respect of 2012:

Financial Accountant in Practice	
Annual Subscription Fee	3,135.00
Indemnity Insurance	430.00
Insurance Admin Fee	29.00
Total Fee Payable	3,594.00

Other annual subscription fees	
Accounting Technicians	752.40
ATC	940.50
Close Corporation as Accounting Officer	815.10
Financial Accountant in Commerce	1,254.00
Honorary Life Members	Free
Students	285.00
Students on Learnership	940.50

Additional fees for new members	
New Accounting Officers Assessment Fee	1,254.00
New ATC Assessment Fee	1,504.80

Late payment penalty		
February 2012	March 2012	>April 2012
15%	25%	40%



Doing the right thing isn't always easy, but it is necessary if a leader wants to have integrity.

John C. Maxwell

BANK ACCOUNT DETAILS:-

Bank	FNB
Account Name	The Institute of Accounting & Commerce
Branch	Adderley Street, CT
Branch Code	201409
Account Type	Current
Account Code	62190124645



**INSTITUTE OF
ACCOUNTING AND
COMMERCE**

Institute of Accounting and
Commerce
252 Rosmead Avenue
Wynberg
7780

Phone: (021) 761 6211
Fax: (021) 761 5089

QUERIES

General:
info@iacsa.co.za

Membership
Soraya
members@iacsa.co.za

Finance
Duncan
finance@iacsa.co.za

Technical
Ehsaan Nagja:
ceo@iacsa.co.za

Gordon Webb
gordon@webbacc.co.za

www.iacsa.co.za

The Institute of Accounting and Commerce (IAC) is a professional accounting institute. Established in 1927, it is registered in South Africa as a section 21 company. It is fully self-funded and conducts its business from its Head Office in Cape Town.

MISSION STATEMENT

It is the aim of the Institute of Accounting and Commerce to promote actively the effective utilisation and development of qualified manpower through the achievement of the highest standards of professional competence and ethical conduct amongst its members



Gordon Webb—Honorary Life Fellowship Award

Gordon was born on 17 October 1949. After matriculating at Nigel High School in 1967, Gordon did his compulsory military training where he was commissioned as an officer in the SADF.

Work History

After working for a firm of auditors Gordon was appointed as Financial Director of a Construction Company at the age of 25.

He then held the position of Financial Analyst for the American owned South African General Electric until he started practicing for his own account in 1981. Gordon is the founder and senior partner in the firm Webb Accounting.

Professional Membership

His qualifications include:

- Fellow of the Institute of Certified Bookkeepers
- Associate of the Institute of Internal Auditors
- Fellow of the Institute of Administration and Commerce
- Member of the Professional National Accountants of Australia
- Member of the South African Institute of Professional Accountants

Committees

He served on numerous committees in the South African Accounting Profession, including National President of the Institute of Professional Accountants of South Africa.

Private life

Gordon is married to Esther and has two sons Grant who is a professional Accountant and Ryan who studied Marketing. Gordon is also a very proud grandfather.



INSTITUTE OF ACCOUNTING & COMMERCE
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your future secured