Tax Exemption Unit

8 DEC 2015

SARS

South African Revenue Service

Office
Head Office

Enquiries
Michael Dayile

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PBO Reference No.
930039159

Income Tax Reference No.
9845146159

Date
19 November 2015

The Representative
HUGENOTE KOLLEGE NPC
PO Box 899
WELLINGTON
7654

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Brooklyn, Pretoria
PO Box 11955, Hatfield, 0028
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teu@sars.gov.za

Dear Sir / Madam

APPLICATION FOR INCOME TAX EXEMPTION APPROVED: HUGENOTE KOLLEGE NPC

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved with effect from 18 May 2012 as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act with effect from 19 November 2015.
2. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
3. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.

In order to maintain your exempt status, the following conditions must be complied with:

1.1 Amend the Memorandum of Incorporation to comply with the requirements of section 30 of the Income Tax Act. The following paragraphs must be added to state that –

a) The activities of the organisation are carried on in a non-profit manner and with an altruistic or philanthropic intent.

b) At least three persons who accept fiduciary responsibility for the public benefit organisation, will not be connected persons in relation to each other, and no single person directly or indirectly controls the decision making powers relating to such organisation. Clause 5.1 must be amended accordingly.

c) No funds will be distributed to any person (other than in the course of undertaking any public benefit activity).

 8 DEC 2015

A copy of the amended Memorandum of Incorporation incorporating the above must be submitted to this office within 12 months by:

- Scanning and emailing the document to teu@sars.gov.za or
- Posting these to: PO Box 11955, Hatfield, 0028.

1.2 When issuing a tax deductible receipt it must include the following information:

a) The reference number (the PBO number quoted on this letter).
b) The date of the receipt of the donation.
c) The name and address of the organisation issuing the receipt to which enquiries may be directed.
d) The name and address of the donor.
e) The amount or nature of the donation if not in cash.
f) Certification that the receipt is issued for the purpose of section 18A and that the donation will be used exclusively for the activities which are approved for section 18A purposes.
g) The receipt must be issued in the year when the donation is received by the organisation approved for purposes of section 18A.

1.3 Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling or manually. Your IT12EI can be obtained by

- Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
- Calling the SARS Contact Centre on 0800 00 SARS (7277)
- Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
- Requesting an IT12EI by visiting your local SARS branch.

1.4 Furthermore, given the S18A approval granted, you must submit with your annual tax return, audit certificate stating that 18A funds for which 18A certificate were issued are utilised for 18A activities and supporting documentation which include the full particulars of all the receipts issued in respect of deductible donations and how these funds were spent.

1.5 The section 18A approval is ring-fenced as the organisation is carrying on the public benefit activities listed both in Part I and Part II of the Ninth Schedule to the Act. Section 18A receipts may only be issued for those public benefit activities listed in Part II of the Ninth Schedule to the Act.

1.6 Section 18A receipts may not be issued for any donations received in support of activities listed in Part I of the Ninth Schedule to the Act, such as religious and leadership programmes.

1.7 Tax deductible receipts may only be issued for *bona fide* donations. Refer to Annexure A for more information in this regard.

1.8 The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of annual income tax return and S18A supporting documentation.

1.9 SARS must be informed in writing within 21 days of any change in registered particulars (e.g. Representative, change of name, address, trustee details, office bearers, etc.).

For further information or assistance, email your query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely

Michael Dayile
Tax Exemption Unit
ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE