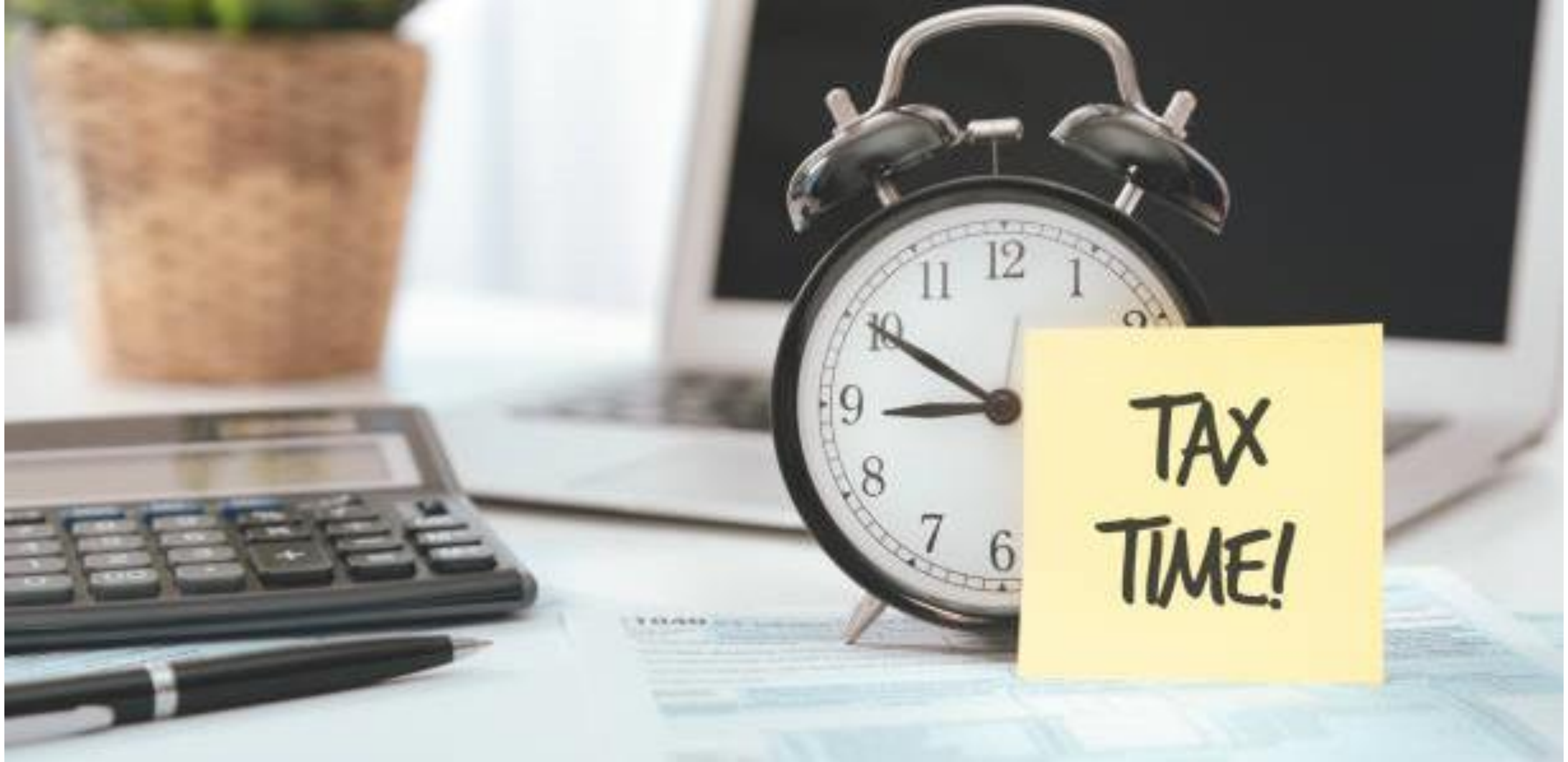

Prepare for the **2022 tax season** with us.

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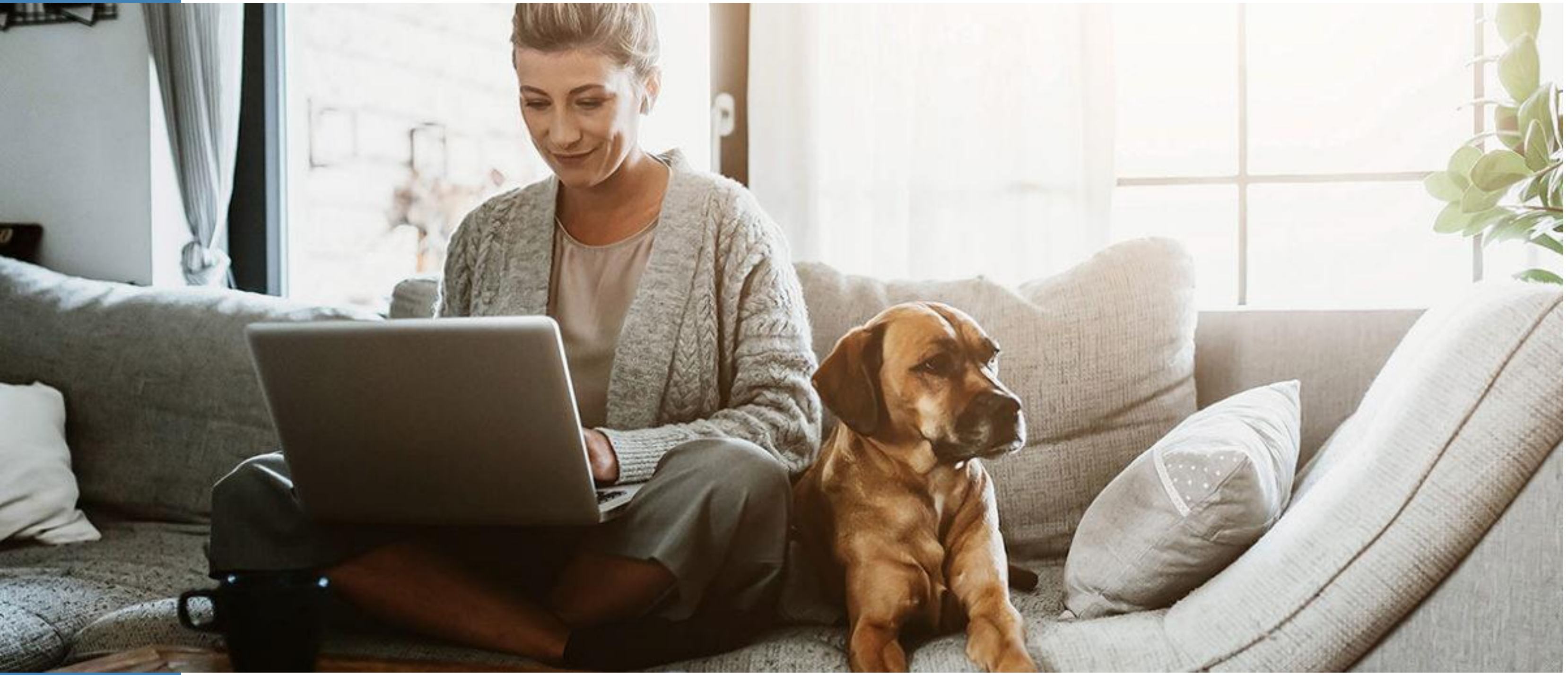
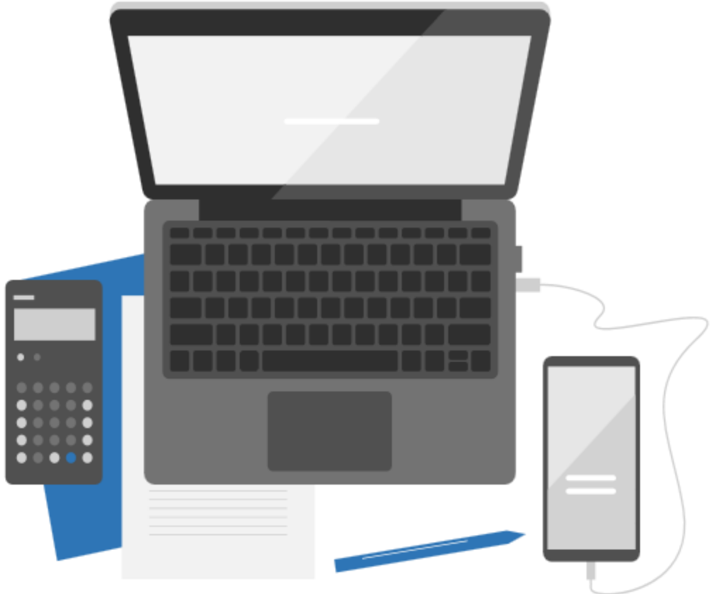
Tax Basics – getting you started for the 2022 tax season.

The tax filing season for 2022 runs from 1 July 2022 to 24 October 2022. Here, we will provide you with a few basics to assist in completing and submitting your 2022 income tax return.





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Who needs to register for income tax?

Everyone receiving taxable income **above the tax thresholds** is required to register for income tax.

Income tax thresholds and rebates for individuals

	Age under 65	Age 65 and over	Age 75 and over
Minimum annual income	**R87 300**	**R135 150**	**R151 100**
Rebates for individuals	Primary rebate **R15 714**	Secondary rebate **R8 613**	Tertiary rebate **R2 871**

Note: The thresholds are applicable for the current tax year.

What is an income tax return?

A **declaration** of all your income, capital gains and losses, and expenses that you are required to report and declare in terms of Income Tax Act No. 58 of 1962 and Tax Administration Act No. 28 of 2011.

How do I register for income tax?

Click on the following link to register - Register for income tax

Alternatively visit your nearest SARS branch with a booking made via telephone: 0800 00 7277, or eBooking portal on the SARS website.

What is the meaning of year of assessment?

A year of assessment for taxpayers covers a period of 12 months. For individuals and trusts, the start date of the year of assessment is **1 March** and ends on the **28/29 February** each year. For companies and close corporations, the year of assessment is the applicable financial year.

Do you need to submit an Income Tax Return (ITR12)?

- All individuals whose income from one employer is **greater than R500 000** for the tax year are required to submit an income tax return.
- All individuals whose income is **less than R500 000** for the tax year if:
- Any natural person who conducted a trade* in South Africa
- Any natural person that held any funds in foreign currency or assets outside of South Africa that have a combined total value of more than R250 000 at any stage during a tax year
- Any natural resident that held any rights in a Controlled Foreign Company

*The term "trade" is used for finding out whether to submit a return means every profession, trade, business, calling, occupation or venture, including the letting of any property but excluding any employment.

Note: This list is not exhaustive and SARS should be contacted should you need clarity.

How do I submit an income tax return?

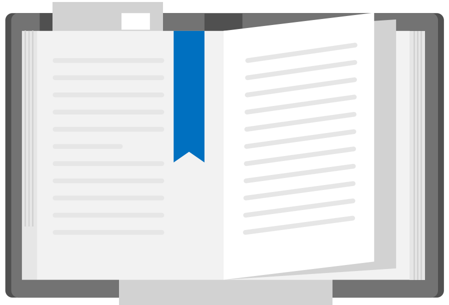
There are **3 ways**, you can submit your return (Click on the links below and follow prompts) :

- Online via **eFiling**
- Via the **SARS eFiling App** on your mobile device
- Visiting your nearest **SARS branch (By appointment)** and requesting assistance from a SARS consultant

The easiest and most efficient way is to submit your return directly via **eFiling** or the **SARS eFiling** App.

Supporting documentation for your 2022 income tax return:

- Your **banking details**
- Your **IRP5/IT3(a) certificate(s)** PLUS any investment income certificate(s) [IT3(b)/IT3(c)/IT3(s)]
- Details of **medical expenses** paid by you and not covered by your medical scheme
- Completed confirmation of diagnosis of **disability form**
- Information relating to **retirement annuity contributions**
- Details of **business travel** (If you received a travel allowance or want to claim against a fringe benefit for an employer-provided vehicle)
- Any documentation relating to **any other income received or accrued**
- Any applicable **financial statements**, e.g. business income
- Any other relevant material relating to **income** you received or deductions you want to claim



Penalties for not submitting your income tax return by the SARS deadline?

SARS will levy a non-compliance penalty for each month that your return is outstanding.

Penalties can range from R250 to R16 000 per month.

SARS may appoint your bank or employer as an agent to deduct the outstanding penalties from your salary or bank account.

Income tax rates for the 2021/2022 tax year

Taxable income | **Rate of tax**

For individuals and special trusts

R0 – R216 200	18% of taxable income
R216 201 – R337 800	**R38 916 +** 26% of taxable income above R216 200
R337 801 – R467 500	**R70 532 +** 31% of taxable income above R337 800
R467 501 – R613 600	**R110 739 +** 36% of taxable income above R467 500
R613 601 – R782 200	**R163 335 +** 39% of taxable income above R613 600
R782 201 – R1 656 600	**R229 089 +** 41% of taxable income above R782 200
R1 656 601 and above	**R587 593 +** 45% of taxable income above R1 656 600

For trusts other than special trusts

-	45%

For small business corporations

R1 – R91 250	0% of taxable income
R91 251 – R365 000	7% of taxable income above R91 250
R365 001 – R550 000	**R19 163 +** 21% of taxable income above R365 000
R550 001 and above	**R58 013 +** 27% of the amount above R550 000

For companies

-	28%

Note: The rates are applicable for the current tax year.

Transfer duty rates for the 2022/2023 tax year

Transfer duty for transferee

Value of property	Transfer duty rate
R0 – R1 000 000	0%
R1 000 001– R1 375 000	3% on value above R1 000 000
R1 375 001– R1 925 000	**R11 250** + 6% on value above R1 375 000
R1 925 001– R2 475 000	**R44 250 +** 8% on value above R1 925 000
R2 475 001– R11 000 000	**R88 250 +** 11% on value above R2 475 000
R11 000 001 and above	**R1 026 000 +** 13% on value above R11 000 000

Note: The rates are applicable for the current tax year.

Taxation of capital gains

Capital gains, on the disposal of assets that were held with a capital intention, are included in taxable income. Events that usually trigger a disposal include a donation, exchange, loss, death or emigration.

Specific exclusions are:

- R2 million gain/loss on the disposal of a **primary residence**
- Most **personal use assets**
- **Retirement** benefits
- Payments in respect of original **long-term insurance policies**
- **Annual exclusion** of R40 000 capital gain or capital loss is granted to individuals and special trusts
- **Small business exclusion** of capital gains for individuals (at least 55 years of age) of R1.8 million when a small business with a market value not exceeding R10 million is disposed of
- The **exclusion granted to individuals** is R300 000 for the year of death, instead of the annual exclusion

Tax rates applicable on capital gains

	Inclusion rate	Statutory rates	Effective rate of tax
Individual and special trust	40%	0% - 45%	0% - 18%
Companies	80%	28%	21.6%
Other trusts	80%	45%	36%

Note: The rates are applicable for the current tax year.

How does section 24J of the Income Tax Act No. 58 of 1962 impact me?

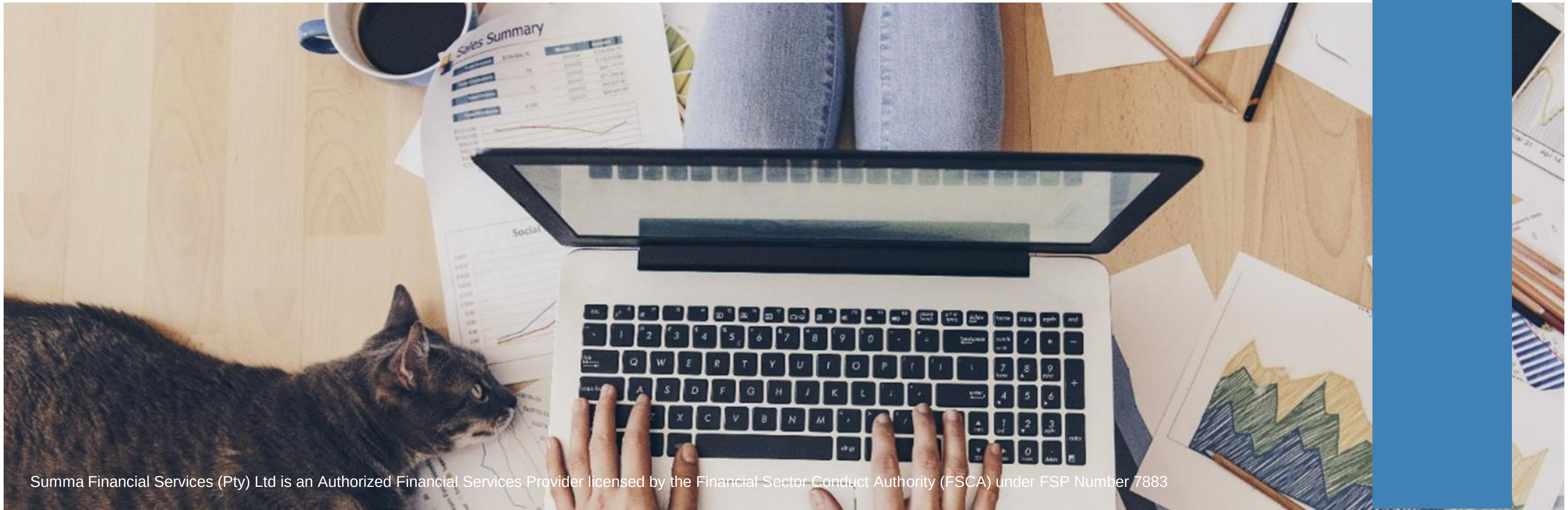
Section 24J requires us to report the credit interest you accrued on your account during the tax period. It has the effect of spreading the interest over the period of the investment (i.e. if you invested for five years, the accrued interest is reported over the multiple tax years you are invested as opposed to only being reported in the year of maturity when you receive the interest). The amount of interest calculated in terms of section 24J is deemed to have accrued during the tax year, regardless of the actual amount of interest received.

These are the interest exemptions available to individuals:

Age 64 and below	R23 800
Age 65 and above	R34 500

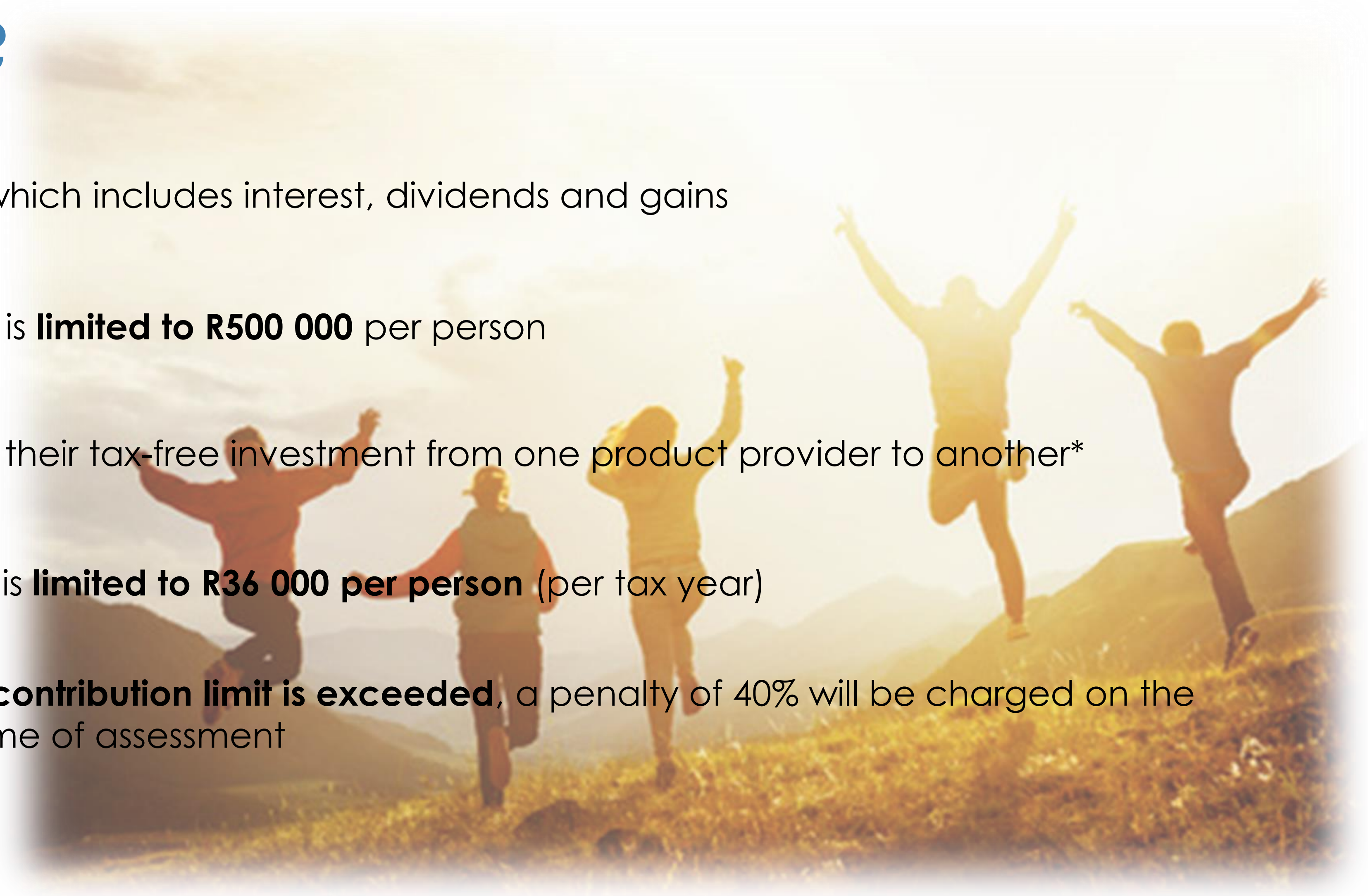
Does section 24J of the Income Tax Act No. 58 of 1962 impact you?

- If you receive interest income and **you are not a company**, then section 24J will apply if you have a fixed-term investment which is greater than 12 months, where interest is paid at maturity
- If you receive interest income and **you are a company**, then section 24J will apply for all your notice and fixed-term investments regardless of the term



All you need to know about tax-free investments?

- **All returns are tax free**, which includes interest, dividends and gains
- The lifetime contribution is **limited to R500 000** per person
- **Any person can transfer** their tax-free investment from one product provider to another*
- The annual contribution is **limited to R36 000 per person** (per tax year)
- If the **annual or lifetime contribution limit is exceeded**, a penalty of 40% will be charged on the excess amount at the time of assessment



Note: Annual and lifetime limits apply to all tax-free investments you own across all service providers.

YOU ARE NOW TAX READY!

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