

South Africa

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I. Summary

A. Types of Organizations

The legal framework for not-for-profit, nongovernmental organizations (“NGOs”) in South Africa consists of four primary tiers.

The first tier (*establishment*) allows for the establishment under statutory and common law of the following three forms of not-for-profit organizations:

- Voluntary associations, established under common law;
- Non-Profit Trusts, established under statutory law; and

- Non-profit Companies incorporated for a public benefit objective or an objective relating to one or more cultural or social activities, or communal or group interests, established under statutory law. [1]

A second tier of legislation (*voluntary registration*) allows any of these organizational forms to apply for the status of a “Registered Non-Profit Organization.” Among other requirements, a Registered Non-Profit Organization cannot distribute profits, and it must meet certain governance criteria.

A third legislative tier (*partial tax exemption*) enables a Non-Profit Organization to apply for the status of “Public Benefit Organization.” Among other requirements, the organization's sole purpose must be to undertake one or more public benefit activities, carried out in a non-profit manner and with an altruistic or philanthropic intent. Public Benefit Organizations are restricted from using their resources to directly or indirectly support, advance, or oppose any political party, but they are not restricted from lobbying. They are entitled to a broad range of fiscal benefits, including a partial income tax exemption, an exemption on donations tax, and for some an exemption on transfer duty on immovable property.

Finally, a fourth legislative tier (*donor deductibility status*) allows Public Benefit Organizations to apply for the right to receive tax-deductible donations.

Other not-for-profit legal forms, which are outside the scope of this Note due to their limited interaction with U.S. grantmakers, include trade unions, employers' organizations, political parties, and so-called Friendly Societies established for the benefit of their members.

B. Tax Laws

The Income Tax Act provides two major benefits to the not-for-profit sector, namely: partial tax exemption for organizations that qualify as Public Benefit Organizations; and donor deductibility for contributions to those Public Benefit Organizations that carry out certain specified Public Benefit Activities (“Public Benefit Organizations with Donor-Deductible Status”). Public Benefit Organizations are also entitled to benefits with regard to donations tax, estate duty, transfer duty, and the skills development levy. Finally, certain organizations are eligible for Value Added Tax preferences.

South Africa and the United States have entered into a double taxation treaty.

II. Applicable Laws

- [Constitution of the Republic of South Africa](#), Act 108 of 1996 (as amended)
- Companies Act of 2008 (as amended by the Companies Amendment Act of 2011)
- [Non-Profit Organisations Act](#) 71 of 1997 (as amended) (“NPO Act”)
- [Trust Property Control Act](#) 57 of 1988 (“TPCA”)

- [Income Tax Act](#) 58 of 1962 (as amended) (“ITA”)
- [Value Added Tax](#) Act 89 of 1991 (“VATA”)

Other Material Consulted

- [Tax Exemption Guide for Public Benefit Organisations in South Africa](#)

III. Relevant Legal Forms

Voluntary Associations

The voluntary association is the most common legal form for not-for-profit organizations in South Africa. No office of registry exists for voluntary associations. Forming a voluntary association requires only that three or more people agree to achieve a common objective, primarily other than making profits. The agreement may be oral or written, though it is customary for the agreement to take the form of a written constitution. Voluntary associations are a product of the common law and are not regulated by statute. This can be confusing because the common law is not easily accessible and sometimes is conflicting. Voluntary associations may be classified as follows:

1. Corporate bodies under the common law, known as “*universitas*”; and
2. Bodies that remain unincorporated at common law, known as "non-corporate associations."

When deciding how to classify a voluntary association, a court will consider the organization's constitution as well as its nature, objectives, and activities. An organization generally must meet three requirements in order to be a *universitas*:

1. It must be structured to continue as an entity notwithstanding a change in membership;
2. It must be able to hold property distinct from its members; and
3. No member can have any rights, based on membership, to the property of the association.

If all of these requirements are met, the organization will be deemed a *universitas* with legal personality.

Non-Profit Trusts

Trusts in South Africa are governed under the Trust Properties Control Act and common law. A trust can be established for private benefit or for a charitable purpose. In order to determine whether a trust qualifies as a charitable trust under South African law, a grantmaker must look to the trust deed.

A trust is created when property is transferred by a trust deed; the trust then manages the property for the benefit of others or for the achievement of a particular goal. The property can be transferred by written agreement, testamentary writing, or court order. The person who administers the trust property is called a trustee. [[TPCA §1](#)] A court official, called a Master of

the High Court, has jurisdiction over a trust if the majority of the trust property is situated in his or her jurisdiction. [[TPCA § 3](#)] The Master holds the trust instruments, oversees the appointment of trustees, and polices the trustees' performance with respect to the trust property. [TPCA § 4; §§ 6-7; §§ 16-20]

A trust does not have separate legal personality, but trustees still enjoy limited liability. All rights and responsibilities vest collectively in the Trustees.

Non-profit Companies

The South African Companies Act of 2008 -which came into operation on May 1, 2011 - provides for the incorporation of a non-profit company which is recognized as a separate category of company. The non-profit company can be established with or without members, but it must have at least three directors. [Companies Act §3(1)] The non-profit company can be incorporated for a public benefit objective or an objective relating to one or more cultural or social activities, or communal or group interests. [Companies Act, Schedule 1, para 1] The non-profit company is subject to the non-distribution constraint requirement. The non-profit company is incorporated with the Companies Commission. Non-profit companies have legal personality and therefore offer limited liability to their members and directors. They can enter into contracts and sue and be sued in their own name.

The Companies Act of 2008, unlike its predecessor, does not make provision for the registration of branches of foreign not-for-profits (previously known as section 21A companies) in South Africa. Such branches were, in terms of the old Companies Act, incorporated as new legal entities in South Africa. Foreign companies carrying on certain activities in South Africa are required under section 23 of the new Companies Act to register as an “external non-profit company” and maintain at least one office in South Africa. Entering into contracts of employment or engaging in non-profit activities in South Africa for at least six months would, amongst other activities, require registration with the Companies Commission. A separate legal entity is no longer incorporated when a foreign company is registered as an external company.

IV. Public Benefit Status

Registered Non-Profit Organization

In 1997, South Africa adopted the Non-Profit Organisations Act (the NPO Act). Registration under the NPO Act is voluntary.

To be eligible, an organization must meet all of the following criteria:

1. It is a trust, company, or other association of persons established for a “public purpose,” a term that is not further defined [[NPO Act §1\(1\)\(x\)\(a\)](#)];
2. It does not distribute income or property to members or officers except for “reasonable compensation for services rendered” [[NPO Act §1\(1\)\(x\)\(b\)](#)];
3. It is not “an organ of state” [[NPO Act §12\(1\)](#)]; and

4. It includes certain internal governance provisions in its founding document [[NPO Act §12\(2\)](#)].

An organization seeking registered NPO status under the NPO Act must apply to the Directorate for Nonprofit Organisations. If the organization qualifies, the Directorate issues a certificate and registration number. To retain this status, the organization must submit narrative and financial reports to the Directorate annually. As of March 2010 there were 65,633 registered NPOs in the NPO database. (Report from the National NPO Database on *The State of NPO Registration in South Africa*, published by the Department of Social Development, April 2010)

Approved Public Benefit Organization

To qualify as a Public Benefit Organization (PBO), an organization must comply with all of the following requirements of Section 30 of the Income Tax Act:

1. It must be a non-profit company, a non-profit trust, a voluntary association, or “any agency or branch within the Republic of any company, association, or trust incorporated, formed, or established in terms of the laws of any country other than the Republic that is exempt from tax on income in that other country.” [definition of PBO under ITA § 30(1)]
2. Its objectives must be to carry on one or more public benefit activities as listed in the Ninth Schedule of the Act; it cannot pursue any other objectives.
3. The activities must be carried on in a not-for-profit manner and with altruistic or philanthropic intent. No activity can promote the economic self-interest of any fiduciary or employee, other than reasonable remuneration to employees or officers.
4. Each of the organization's activities is for the benefit of, or widely accessible to, the general public at large, including any sector thereof (other than small and exclusive groups).

Public benefit organizations are allowed to carry out public benefit activities beyond the borders of South Africa without restriction. The qualifying public benefit activities appear in Part I of the Ninth Schedule to the Income Tax Act. The Minister of Finance may, however, determine additional activities from time to time. At present, more than 60 activities qualify. [[ITA, Schedule Nine, §1-11](#)] They fall under the following headings:

- Welfare and Humanitarian;
- Health Care;
- Land and Housing;
- Education and Development;
- Religion, Belief or Philosophy;
- Cultural;
- Conservation, Environment and Animal Welfare;
- Research and Consumer Rights;
- Sport;
- Providing of Funds, Assets or Other Resources; and

- General.

Additional PBO requirements are discussed below.

Organizations seeking PBO status must apply to the Tax Exemption Unit of the South African Revenue Services, which also has on-going supervisory powers over PBOs.

V. Specific Questions Regarding Local Law

A. Inurement

Voluntary Associations

Specific prohibitions against private inurement would be included in a voluntary association's founding documents. In general, governing board members of voluntary associations are bound by the common law fiduciary duty to act in good faith and avoid conflicts of interest in their dealings with the organization.

Trusts

A trustee's remuneration may be regulated by the instrument establishing the trust. If the instrument is silent on the issue, the Trust Property Control Act allows for trustees to receive reasonable remuneration when executing their official duties. [[TPCA §22](#)] The Master will set the amount in the event of a dispute. An auditor of a trust's accounts must report any apparent material irregularities in the accounts to the trustee. [[TCPA §15](#)] The Trust Property Control Act requires trustees to "act with the care, diligence and skill which can reasonably be expected of a person who manages the affairs of another." [[TPCA §9\(1\)](#)] A trustee's improper accounting in administering the trust violates this fiduciary duty and constitutes grounds for removal. [[TPCA §20\(2\)\(e\)](#)]

Non-profit Companies

Paragraph 3 of Schedule 1 to the Companies Act prohibits a non-profit company from, directly or indirectly, paying any portion of its income or transferring any of its assets, regardless of how the income or asset was derived, to any incorporator, director or member of the company, except as: reasonable remuneration for goods delivered or services rendered; or as reimbursement for expenses incurred to advance the company's objectives; or as payment payable in terms of a bona fide agreement; or payment in respect of any rights of that person to advance a stated objective of the company; and in respect of any legal obligation binding the company. Sections 66 (8) and (9) of the Companies Act, dealing with the payment of remuneration to directors for their service as directors, do not apply to non-profit companies. [Companies Act §10(2)(c)] The

apparent intention is to prohibit non-profit companies from remunerating directors for their service as directors.

Registered Non-Profit Organizations

In order to register under the NPO Act, a non-profit organization must state in its founding document (or the legislation under which it has been established must specify) that its income and property are not distributable to its members, officers, or trustees, except as reasonable compensation for services rendered. [[NPO Act/1997 §12\(2\)\(c\)](#)]

Approved Public Benefit Organizations

In order to obtain approval from the Commissioner under Section 30 of the ITA, an organization cannot conduct any activity intended directly or indirectly to promote the economic self-interest of any fiduciary or employee of the organization, other than through reasonable remuneration. In addition, the organization must not distribute any of its funds to any person, other than in the course of undertaking a public benefit activity; and it must use its funds solely for the objective for which it has been established. [[ITA §\(30\)\(3\)\(b\)\(ii\)](#)]

B. Proprietary Interest

Voluntary Associations

If a voluntary association prohibits its members, directors, or employees from having a proprietary interest in the organization's assets, the prohibition will appear in the organization's founding documents.

Trusts

The Trust Property Control Act provides that trust property may not form part of the personal estate of a trustee, unless the trustee is also a beneficiary entitled to the property under the trust instrument. [[TPCA §12](#)] The trust documents identify the beneficiaries of the trust.

Non-profit Companies

A non-profit company must apply all of its assets and income to advance its stated objectives as set out in its Memorandum of Incorporation. [Companies Act, Schedule 1, para 2] A non-profit company must, upon winding-up or dissolution, distribute the entire net value of the company to one or more non-profit companies, “registered external non-profit companies” carrying on activities in South Africa, non-profit trusts or voluntary associations having objectives similar to its main objective. No past or present member or director is entitled to any part of the net value of the company after its obligations and liabilities have been satisfied. [Companies Act, Schedule 1, para 4]

Registered Non-Profit Organizations

The founding document of an organization registered under the NPO Act must provide that the members, officers, and trustees have no rights to the assets of the organization solely by virtue of being members, trustees, or officers. [[NPO Act/1997 §12\(2\)\(f\)](#)]

Approved Public Benefit Organizations

In order to become approved as a Public Benefit Organization under Section 30 of the Income Tax Act, an organization cannot accept any donation that is revocable at the donor's request. Moreover, the donor may not impose conditions that could enable the donor or any person related to the donor to benefit, directly or indirectly, from the application of such donation. [[ITA §\(30\)\(3\)\(b\)\(v\)](#)] In addition, the organization must apply its funds solely to the objectives for which it was formed. [[ITA §\(30\)\(3\)\(b\)\(ii\)](#)]

C. Dissolution

Voluntary Associations

The founding documents would contain any provisions governing the transfer of assets of a voluntarily dissolving voluntary association, whether a *universitas* or an informal voluntary association.

Trusts

In limited situations, the trustee, or a person the court finds to have a sufficient interest in the trust property, can petition the court to vary trust provisions or to terminate the trust altogether. These situations include: where the terms of the trust hamper the achievement of the founder's objective, prejudice the interests of trust beneficiaries, or are against the public interest. [[TPCA §13](#)] No provision in the Trust Property Control Act deals explicitly with the treatment of assets upon termination of a trust. The trust deed, however, must address the issue if the trust is a registered Nonprofit Organization or an approved PBO.

Non-profit Companies

As stated earlier, a non-profit company must, upon winding-up or dissolution, distribute the entire net value of the company to one or more non-profit companies, "external non-profit companies" carrying on activities in South Africa, non-profit trusts or voluntary associations having objectives similar to its main objective. The transferee(s) can be identified in its Memorandum of Incorporation, by its members, if any, or directors, or by a court of law if the members or directors fail to make such a determination. No past or present member or director is entitled to any part of the net value of the company after its obligations and liabilities have been satisfied. [Companies Act, Schedule 1, para 4]

Registered Non-Profit Organizations

To register under the NPO Act, the organization must stipulate in its founding document that any assets remaining upon dissolution or winding up will be transferred to another non-profit organization with similar objectives. [[NPO Act/1997 12\(2\)\(o\)](#)] Failure to transfer the assets to such an organization may result in a fine, imprisonment, or both for the person responsible. [[NPO Act/1997 §30](#)]

Approved Public Benefit Organizations

In order to obtain approval from the Commissioner under the Income Tax Act, Section 30, an organization must provide in its founding document that any assets remaining upon dissolution or winding up must be transferred to: (1) a similar public benefit organization approved under this section; (2) an institution, board, or body which is exempt from tax under the provisions of section 10(1)(cA)(i) of the ITA, which has as its principal objective any public benefit activity; or (3) a department of the state. [[ITA §\(30\)\(3\)\(b\)\(iii\)](#)] If these and other conditions are not contained in the organization's founding document, three fiduciaries of the organization must sign a written undertaking confirming that the organization will comply with the relevant provisions of Section 30 of the Income Tax Act. [[ITA §\(30\)\(4\)](#)]

D. Activities

1. General

Voluntary Associations

A voluntary association can engage in any lawful activities in pursuit of a legitimate objective, as long as those activities are not for gain and are in line with its founding document.

Trusts

Trustees can engage in any lawful activities as long as they remain within the bounds of their fiduciary duty to the trust beneficiaries and within the confines of the trust deed.

Non-profit Companies

Non-profit companies can carry on activities aimed at promoting the public benefit or relating to one or more cultural or social activities, or communal or group interests. [Companies Act, Schedule 1, para 1]

Registered Non-Profit Organizations

The [NPO Act](#) does not address permissible activities. Because a registered non-profit organization will ordinarily be a trust or a non-profit company, the laws governing those legal forms and the tax laws provide guidance on permissible activities. A voluntary association's founding documents will specify its activities.

Approved Public Benefit Organizations

The Tax Act defines public benefit activity by listing over 60 permissible activities (see Section IV, above, for further discussion).

2. Economic Activities

Voluntary Associations

An association can conduct subsidiary activities to make some profits, as long as its main objective is not the acquisition of gain.

Trusts

Trusts are generally flexible structures that can be used for a variety of purposes. The Trust Property Control Act allows for the trust instrument to designate the objective or beneficiaries but it does not specify limitations to such objectives or beneficiaries. [[TPCA §1](#)] The purpose of a discretionary trust must be lawful and sufficiently certain (Deedat and Others v The Master and Others 1995 (2) SA 377 (A)). If a trust has a mainly charitable purpose, the fact that it has a non-charitable subsidiary purpose will not invalidate it.

Non-profit Companies

Non-profit companies may carry on any business, trade or undertaking consistent with or ancillary to its stated objectives, i.e., the promotion of the public benefit or one or more cultural or social activities, or communal or group interests. [Companies Act, Schedule 1, para 2(a)]

Approved Public Benefit Organizations

The law explicitly limits the extent to which the economic activities of organizations approved under [Section 30 of the Income Tax Act](#) will be tax exempt. The receipts and accruals from such undertakings or activities shall be exempt from normal tax only if one of the following criteria applies:

A) The undertaking or activity meets all of the following requirements:

1. It is integral and directly related to the sole objective of the public benefit organization;
2. Substantially the whole of its revenues are directed toward the recovery of its costs; and
3. It does not result in unfair competition in relation to taxable entities.

B) The undertaking or activity is of an occasional nature and substantially performed by uncompensated volunteers.

C) The undertaking or activity is approved by the Minister of Finance by notice in the Gazette, taking into account the following factors:

1. The scope and benevolent nature of the undertaking or activity;
2. The direct connection between the undertaking or activity and the sole purpose of the public benefit organization;
3. The profitability of the undertaking or activity; and
4. The economic distortion that may result from allowing a tax-exempt organization to carry out the undertaking or activity.

D) The undertaking or activity does not qualify under any of the above criteria, and the revenues it generates do not exceed the greater of the following:

1. 5 percent of the public benefit organization's total receipts and accruals during the relevant year of assessment; or
2. 150 000 South African Rand

[\[ITA §10\(1\)\(cN\) as amended\]](#).

PBOs are allowed to invest their funds only subject to restrictions that may exist in the common law.

E. Political Activities

The Income Tax Act restricts PBOs from using their resources to directly or indirectly support, advance, or oppose any political party. [\[ITA § 30\(3\)\(h\)\]](#) South African law does not restrict the political activities of organizations that are not approved as PBOs. Moreover, the law does not clearly restrict lobbying by any organizations.

F. Racial Discrimination

The [Constitution of the Republic of South Africa](#) (1997) stipulates that neither the State nor any person may unfairly discriminate against anyone on the basis of race (among other grounds). [\[Constitution §§ 9\(3\) and \(4\)\]](#) Section 29 of the Constitution establishes an individual's right to receive a basic education and to further his/her education. [\[Constitution §29\(1\)\]](#) The right to receive a public education in the language of one's choice, where reasonably practicable, is also guaranteed. [\[Constitution §29\(2\)\]](#) The Constitution further provides that everyone has the right to

establish and maintain independent educational institutions, so long as those institutions do not discriminate on the basis of race. [[Constitution §29\(3\)\(a\)](#)]

G. Control of Organization

South African law does not restrict individuals or legal entities from serving as members, promoters, or trustees of not-for-profit organizations. Foreign individuals can also serve as directors of local companies, but legal persons in general cannot serve as directors of a non-profit company. It is, subject to this limitation, possible for a South African NGO to be controlled by an American grantor charity.

VI. Tax Laws

A. Tax Exemptions

In order to be eligible for exemption from income tax and certain other taxes, an organization first must qualify as a Public Benefit Organization under Section 30 of South Africa's Income Tax Act, as summarized in Section IV, above. Eligibility for tax exemption further requires the PBO to satisfy additional conditions on its governance and operations. For example, the organization's founding document must provide that at least three unrelated persons have fiduciary responsibility for the organization, and that no single person can directly or indirectly control the decisions relating to the organization. [[ITA § 30\(3\)\(b\)\(i\)](#)] In addition, the law limits the extent to which the business activities of the organization are tax exempt (see section V(D)(2), above). [[ITA §10\(1\)\(cN\)](#)] Upon the organization's termination, its assets must be transferred to similar approved PBOs, an entity exempt from tax under Section 10(1)(cA)(i), which has as its sole or principal objective the carrying on of any public benefit activity, or to the state. [[ITA § 30\(3\)\(b\)\(iii\)](#)]

A PBO approved for exemption from income tax may also be exempted from capital gains tax, donations tax, estate duty, and transfer duty if the property will be devoted to public benefit activities, and, in certain cases, the skills development levy. [[Tax Exemption Guide for Public Benefit Organisations in South Africa at 11](#)]

A new Dividend Tax has been introduced by the Revenue Laws Amendment Act, No. 60 of 2008 and will come into operation on a date to be determined by the Minister of Finance. Once the relevant provisions come into operation, approved PBOs will be exempted from paying dividends tax when dividends from for-profit companies are paid to PBOs.

Other non-profit organizations (that are not approved Public Benefit Organisations or are not exempted from paying tax elsewhere under Section 10 of the Income Tax Act) are liable for income and other taxes and duties on the same basis as ordinary taxpayers.

B. Deductibility of Donations

An individual or company is entitled to deduct from taxable income a donation (in cash or in kind) to a Public Benefit Organization carrying out specified public benefit activities. These organizations are sometimes referred to as "Public Benefit Organizations with Donor-Deductible Status." The donation must be supported by a receipt issued by the Public Benefit Organization, and it cannot exceed 10 percent of the taxable income of the taxpayer.

The Public Benefit Activities approved by the Minister of Finance for purposes of Section 18A are set out in Part II of the 9th Schedule to the [Income Tax Act](#). A variety of activities are approved, and they fall under the following headings:

- Welfare and Humanitarian
- Health Care
- Education and Development
- Conservation, Environment and Animal Welfare
- Land and Housing [[ITA Schedule Nine §2 \(1-5\)](#)]

C. Value Added Tax

The Value Added Tax Act imposes a 14 percent tax on the value of goods or services supplied by a vendor, imported goods, or services provided by a resident supplier or one carrying out business outside of South Africa to a resident of South Africa who uses the services in South Africa. [[VATA §7\(1\)](#)]

The VAT Act confers certain benefits on organizations that qualify as "associations not for gain," "welfare organizations," or both. [[VATA § 1](#)] Qualifying organizations can claim the VAT they incur as input tax and, generally speaking, must pay output tax only when they charge for goods or services.

An "association not for gain" is defined as a religious institution or other society, association, or organization (including an educational institution of a public character), which is not carried on for profit and which is required to use any property or income solely to further its aims and objectives. An association not for gain is treated much like any other business if it makes taxable supplies, but the following special provisions apply:

- No output tax is payable on any "unconditional gifts" received, such as a club member's donation of money to cover the costs of new equipment for the club's soccer team.
- A VAT exemption applies to the sale of any donated goods or services, and to the sale of manufactured goods where donated goods and services constitute at least 80 percent of the value thereof.
- Certain subsidies and grants received from National or Provincial Governments (public authority) are zero-rated.

Some associations not for gain also qualify as "welfare organizations," which entitles them to the benefits listed above plus additional ones. In order to qualify as a "welfare organization," an organization must:

1. Be an association not for gain;
2. Be exempt from tax in terms of section 10 (1) (cN) of the Income Tax Act; and
3. Carry on activities in the following categories:
 1. Welfare and humanitarian;
 2. Health care;
 3. Land and housing;
 4. Education and development; or
 5. Conservation, environment, and animal welfare.

Along with the benefits listed above for associations not for gain, a welfare organization is eligible for the following additional benefits:

- Even where no charge is made for supplies, the organization can register for VAT and obtain input tax relief on its purchases.
- A subsidy or grant received from the Government (or local authorities) related to welfare activities will be zero-rated.

D. Double Taxation Treaty

South Africa has entered into double taxation treaties with a number of countries, including the United States. [<http://www.irs.gov/pub/irs-trty/safrica.pdf>].

E. Foreign Entities

As of 2006, tax exemption is granted to branches of foreign legal entities operating in South Africa, on the condition that they qualify for tax exemption in the country in which they are established. [RLAA§24] Upon termination of these activities, however, they must transfer the assets of such branch to a local PBO, organ of state, or designated institution if more than 15 percent of the branch's receipts and accruals (earned during the three years preceding the termination) were derived from a source within the Republic. [[ITA § 30\(3\)\(b\)\(iiiA\)](#)]

Providing funding to foreign not-for-profit entities that are exempt in their countries of origin constitutes a public benefit activity.

The Revenue Laws Amendment Act, No. 60 of 2008 amended section 18A of the Income Tax Act to allow donations made to certain specialized agencies operating in South Africa to be deductible. The amendment covers agencies such as: the International Labour Organization, the World Health Organization, the Food and Agriculture Organization of the United Nations, and the International Monetary Fund.

VII. Knowledgeable Contacts

Ricardo Wyngaard: ricardo@nonprofitlawyer.co.za

Richard Rosenthal: partners@iafrica.com

Footnotes

[1] The new Companies Act (No. 71 of 2008) was signed into law in April 2009 and came into operation on May 1, 2011. The new Companies Act changed the way in which non-profit companies are incorporated and regulated. The new Companies Act establishes two categories of companies: 1) non-profit companies, and 2) profit companies. The Act contains a special set of fundamental principles that are applicable to non-profit companies and clearly sets out which parts of the Act are applicable to non-profit companies. Effective May 1, 2011, pre-existing non-profit companies incorporated under the old Companies Act of 1973 (known as section 21 companies), are governed by the new Companies Act. These pre-existing companies have until April 30, 2013 to file a Memorandum of Incorporation and name change, without charge, to bring them in accordance with the new Act.