

Enquiries
Pakane Matau

Telephone
(012) 422 8815

Facsimile
(012) 422 8830

E-mail
pmatau@sars.co.za

PBO No.
930002708

Our Reference No.
PM/0037/04/04

Date
30 April 2004

Ms. Shelagh Gastrow
Executive Director
The South African Institute
For Advancement Trust
P.O. Box 818
CAPE TOWN
8051

South African Revenue Service

Tax Exemption Unit (TEU)
Pro Equity Court
1250 Pretorius Street
Hatfield, 0028

PO Box 11955,
Hatfield, 0028

Switchboard : (012) 422 8800
Fax No : (012) 422 8830
E-mail : teu@sars.gov.za
SARS online : www.sars.gov.za

*Please quote the pbo no. our reference number in your correspondence with TEU.

Dear Ms. S.Gastrow

EXEMPTION FROM TAXES AND DUTIES AND APPROVAL IN TERMS OF SECTION 18A: THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

We refer to your application for exemption from income tax.

1. It is confirmed that:-

- 1.1 the organisation has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.
- 1.2 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;
- 1.3 donations by or to the public benefit organisation are exempt from donations tax in terms of section 56(1)(h) of the Act;
- 1.4 bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.

1.5 in terms of section 4(1)(f) of the Stamp Duties Act, 1968, any instrument which is executed by or on behalf of the public benefit organisation is exempt from stamp duty, if the duty thereon would be legally payable and borne by the public benefit organisation, and

2. Kindly note that the relevant exemptions are subject to the following conditions:

2.1 Annual returns of income and accounts be submitted to the Tax Exemption Unit, together with financial statements and supporting documentation such as a statement showing how the income has been expended; as well as full details of the receipts issued in respect of tax deductible donations in terms of section 18A and how these funds were expended;

2.2 The public benefit organisation must distribute at least 75% of the donations received, in respect of which tax deductible receipts were issued, in the year following the year during which the donations were received.

2.3 The following information must be given on the tax deductible receipts issued:

2.3.1 the reference number of the public benefit organisation, issued by the Commissioner for the purposes of this section. (The reference number quoted on this letter.)

2.3.2 the date of the receipt of the donation;

2.3.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;

2.3.4 the name and address of the donor;

2.3.5 the amount of the donation or the nature of the donation (if not made in cash); and

2.3.6 a certification to the effect that the receipt is issued for the purposes of section 18A of the Income Tax Act, 1962, and that the donation has been or will be used exclusively for the object of the public benefit organisation concerned.

2.4 The public benefit organisation may only issue tax deductible receipts in respect of any donation to the extent that the donation will be utilised solely to provide funds to a public benefit organisation, institution, board or body contemplated in subsection (1)(a) which will utilise those funds solely in carrying on activities contemplated in Part II of the Ninth Schedule;

2.5 The public benefit organisation must together with its annual return for a year or assessment submit to the Commissioner an audit certificate confirming that all donations received or accrued in that year in respect of which tax deductible receipts were issued were utilised in the manner contemplated in point 2.4;

2.6 The public benefit organisation will, if necessary, within a period of five years, formally amend the founding document to comply with the provisions of section 30 of the Act.

2.7 The exemptions approved in paragraph 1 above, are subject to review on an annual basis upon receipt of the financial statements.

Yours Sincerely



Pakane Matau

Tax Exemption Analyst

For: The Head: Tax Exemption Unit