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AIDS HELPLINE: 0800-123-22 Prevention is the cure

**GOVERNMENT NOTICE
GOEWERMENTSKENNISGEWING**

**SOUTH AFRICAN REVENUE SERVICE
SUID-AFRIKAANSE INKOMSTEDIENS**

No. R. 1163

6 September 2002

REGULATIONS ISSUED IN TERMS OF SECTION 18A(1A) OF THE INCOME TAX ACT, 1962 (ACT NO. 58 OF 1962), TO PRESCRIBE ADDITIONAL REQUIREMENTS FOR PURPOSES OF THAT SECTION, IN RESPECT OF PUBLIC BENEFIT ORGANISATIONS CARRYING ON ANY ACTIVITY CONTEMPLATED IN PARAGRAPH 4 OF PART II OF THE NINTH SCHEDULE TO THAT ACT

By virtue of the power vested in me by section 18A(1A) of the Income Tax Act, 1962, I, Trevor Andrew Manuel, Minister of Finance, hereby prescribe in the Schedule hereto, the additional requirements with which any public benefit organisation which carries on any activity contemplated in paragraph 4 of Part II of the Ninth Schedule to that Act, must comply before a donation made to that public benefit organisation shall be allowed as a deduction under section 18A.

**T. A. MANUEL
MINISTER OF FINANCE**

SCHEDULE

1. In these regulations, unless the context otherwise indicates, any word or expression to which a meaning has been assigned in the Income Tax Act, 1962, bears the meaning assigned thereto.
2. Any public benefit organisation carrying on the activity of establishing and

managing a transfrontier conservation area, which—

- (a) forms part of the Republic and one or more other countries;
- (b) is or will fall under a unified or coordinated system of management without compromising national sovereignty; and
- (c) has been established with the explicit purpose of supporting the conservation of biological diversity, job creation, free movement of animals and tourists across the international boundaries within the transfrontier conservation area, and the building of peace and understanding between the nations concerned,

as contemplated in paragraph 4 of Part II of the Ninth Schedule to the Income Tax Act, 1962, must, in addition to any other requirement prescribed by section 18A of that Act, comply with the requirements contemplated in regulation 3, before any donation to that public benefit organisation shall be allowed as a deduction under that section.

3. The constitution or founding document of a public benefit organisation contemplated in regulation 2, must expressly provide that the organisation—

- (a) may not issue any receipt contemplated in section 18A(2) of that Act in respect of any donation made by a person to that public benefit organisation, unless—
 - (i) that donation is made by that person on or after 1 August 2002, but before 1 August 2005; and
 - (ii) that person has during the relevant year of assessment of that person donated an amount of at least R1 million to that organisation;
- (b) must ensure that every donation contemplated in paragraph (a) in respect of which a receipt has been issued in terms of section 18A(2), will be matched by a donation to that organisation of the same amount by a person who is not a resident and which is made from funds generated and held outside the Republic; and
- (c) must utilise the amount of—

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- (i) all donations contemplated in paragraph (a) in respect of which a receipt has been issued in terms of section 18A(2) and income derived therefrom, in the Republic in carrying on the activity contemplated in regulation 2; and
 - (ii) all donations contemplated in paragraph (b), either in the Republic in carrying on the activity contemplated in regulation 2, or on a transfrontier conservation area contemplated in regulation 2.