

NOTICE 760 OF 2011

SECTION 12I TAX ALLOWANCE PROGRAMME

The Minister of Trade and Industry, Dr Rob Davies - in terms of section 12I (19)d of the Income Tax Act, 1962 (Act 58 of 1962) as amended (herein after referred to as the Act) and the Regulations promulgated in the Government Gazette No. 33385 of 23 July 2010 - hereby publishes the decision to approve an application received for the 12I Tax Allowance Programme.

Particulars of applicant

- Name of applicant: **Sappl Southern Africa (Pty) Ltd**
- **Sappl Southern Africa (Pty) Ltd** is a project to manufacture chemical cellulose. The project will invest a total of R 2 332 000 000, with the value of qualifying manufacturing assets equal to R 2 247 243 275. The project is classifiable under SIC code 3231.
- Description and costs of qualifying manufacturing assets:

| Assets | Expected Date of Assets In Use | Value of Qualifying Assets (R) |
|--------------------------------|--------------------------------|--------------------------------|
| Plant & Machinery | April 2013 | 2 042 871 304 |
| Additions to buildings | April 2013 | 204 371 971 |
| Total Qualifying Assets | | 2 247 243 275 |

- Date of approval: **3 September 2011**
- Envisaged date of commercial production: **June 2013**
- Additional investment allowance benefit period: **August 2011 to August 2015**
- Additional training allowance benefit period: **August 2011 to August 2017**
- **Sappl Southern Africa (Pty) Ltd** was awarded 8 points and afforded preferred status.
- The approved amount for the additional investment allowance in respect of manufacturing assets to be brought into use by **Sappl Southern Africa (Pty) Ltd** is **R 550 000 000** (five hundred and fifty million rand).
- The approved amount for the additional training allowance is **R2 232 000** (two million two hundred and thirty two thousand rand)
- **Sappl Southern Africa (Pty) Ltd** is expected to create 62 additional direct jobs before the end of the additional investment allowance benefit period.
- Total potential national revenue to be forgone by virtue of deduction of the approved allowances for **Sappl Southern Africa (Pty) Ltd** will be **R154 624 960**.

Enquiries relating to this publication should be made to:

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