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KANTOOR VAN DIE EERSTE MINISTER

OFFICE OF THE PRIME MINISTER

No. 1529.

1 Augustus 1980.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 106 van 1980: Wysigingswet op Inkomstewette, 1980.

No. 1529.

1 August 1980.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 106 of 1980: Revenue Laws Amendment Act, 1980.

GENERAL EXPLANATORY NOTE:

- [** **]** Words in bold type in square brackets indicate omissions from existing enactments.
- _____ Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Marketable Securities Tax Act, 1948, so as to insert a definition of "Commissioner"; to delete the definition of "Secretary"; to provide for a further exemption from marketable securities tax; and to substitute the word "Commissioner" for the word "Secretary" in the said Act; to amend the Transfer Duty Act, 1949, so as to insert a definition of "Commissioner"; to substitute the definition of "date of acquisition"; to delete the definition of "Secretary"; to reduce the rate of transfer duty on certain transactions; to provide for certain further exemptions from transfer duty; to make further provision relating to the calculation of transfer duty in respect of the conversion of certain rights of occupancy into ownership; and to substitute the word "Commissioner" for the word "Secretary" in the said Act; to amend the Estate Duty Act, 1955, so as to insert a definition of "Commissioner"; to delete the definition of "Secretary"; to provide for the exemption from estate duty in respect of certain annuities; to make further provision as to the determination of the net value of an estate and the dutiable amount of an estate; to reduce the rates of estate duty; and to substitute the word "Commissioner" for the word "Secretary" in the said Act; to amend the Diamond Export Duty Act, 1957, so as to insert a definition of "Commissioner"; to delete the definition of "Secretary"; and to substitute the word "Commissioner" and a certain derivative thereof for the word "Secretary" and a certain derivative thereof in the said Act; to amend the Cinematograph Films Tax Act, 1960, so as to insert a definition of "Commissioner"; to delete the definition of "Secretary"; and to substitute the word "Commissioner" for the word "Secretary" in the said Act; to amend the Stamp Duties Act, 1968, so as to insert a definition of "Commissioner"; to delete the definition of "Secretary"; to further define "arbitrage transaction" for certain purposes; to make provision for certain further exemptions from stamp duty on marketable securities; to make further provision as to the imposition of a penalty for certain acts in connection with marketable securities; and to substitute the word "Commissioner" for the word "Secretary" in the said Act; to repeal certain laws; and to provide for matters connected therewith.

(English text signed by the State President.)
(Assented to 1 July 1980.)

REVENUE LAWS AMENDMENT ACT, 1980

Act No. 106, 1980

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

1. (1) Section 1 of the Marketable Securities Tax Act, 1948, is hereby amended—
- (a) by the insertion before the definition of "joint account" of the following definition:
"'Commissioner' means the Commissioner for Inland Revenue;"; and
- (b) by the deletion of the definition of "Secretary".
- (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
- Amendment of section 1 of Act 32 of 1948, as amended by section 35 of Act 77 of 1968, section 1 of Act 92 of 1971 and section 1 of Act 88 of 1974.
2. (1) Section 3 of the Marketable Securities Tax Act, 1948, is hereby amended—
- (a) by the deletion at the end of subparagraph (ix) of paragraph (c) of the word "or"; and
- (b) by the addition to paragraph (c) of the following subparagraphs:
"(xi) the South African Reserve Bank; or
(xii) the Corporation for Economic Development Limited.".
- (2) Subsection (1) shall be deemed to have come into operation on 28 February 1980.
- Amendment of section 3 of Act 32 of 1948, as amended by section 12 of Act 64 of 1960, section 36 of Act 77 of 1968, section 2 of Act 88 of 1974, section 2 of Act 114 of 1977 and section 1 of Act 95 of 1978.
3. (1) The Marketable Securities Tax Act, 1948, is hereby amended by the substitution for the word "Secretary", wherever it is used with reference to the Secretary as defined in section 1 of the said Act immediately prior to the amendment of that section by section 1 of this Act, of the word "Commissioner".
- (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
- Substitution of certain word in Act 32 of 1948.
4. (1) Section 1 of the Transfer Duty Act, 1949, is hereby amended—
- (a) by the insertion before the definition of "date of acquisition" of the following definition:
"'Commissioner' means the Commissioner for Inland Revenue;";
- (b) by the substitution for the definition of "date of acquisition" of the following definition:
"'date of acquisition' means—
(a) in the case of the acquisition of property (other than the acquisition of property contemplated in paragraph (b)) by way of a transaction, the date on which the transaction was entered into, irrespective of whether the transaction was conditional or not or was entered into on behalf of a company already registered or still to be registered and, in the case of the acquisition of property otherwise than by way of a transaction, the date upon which the person who so acquired the property became entitled thereto: Provided that where property has been acquired by the exercise of an option to purchase or a right of pre-emption, the date of acquisition shall be the date upon which the option or right of pre-emption was exercised;
(b) in the case of the acquisition of property in terms of item 8 of Schedule 1 to the Share Blocks Control Act, 1980 (Act No. 59 of 1980), and if section 9A of this Act does not apply to that acquisition, the date of the written request referred to in subitem (1) (b) of the said item 8;". and
- Amendment of section 1 of Act 40 of 1949, as amended by section 11 of Act 80 of 1959, section 1 of Act 77 of 1964 and section 5 of Act 103 of 1969.

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(c) by the deletion of the definition of "Secretary".

(2) Paragraphs (a) and (c) of subsection (1) shall be deemed to have come into operation on 1 April 1980, and paragraph (b) of that subsection shall come into operation on the date of commencement of the Share Blocks Control Act, 1980.

5. (1) Section 2 of the Transfer Duty Act, 1949, is hereby amended by the substitution in paragraph (b) of subsection (1) for the expression "twenty thousand rand" wherever it occurs of the expression "R30 000".

10 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980 and shall apply in respect of any acquisition of property or any renunciation of an interest in or restriction upon the use or disposal of property upon or after that date.

Amendment of section 2 of Act 40 of 1949, as substituted by section 2 of Act 77 of 1964 and amended by section 1 of Act 56 of 1966, section 2 of Act 66 of 1973 and section 3 of Act 88 of 1974.

6. (1) Section 9 of the Transfer Duty Act, 1949, is hereby amended by the addition of the following subsection:

15 "(12) No duty shall be payable in respect of the acquisition by way of a transaction concluded on or after 1 April 1980 by a natural person of the full ownership in—

20 (a) any property consisting of land and any dwelling-house thereon or of a residential apartment and an undivided share in common property held under a sectional title deed contemplated in the Sectional Titles Act, 1971, if the value of such property, determined in accordance with the provisions of sections 5, 6, 7 and 8, does not exceed R30 000; or

25 (b) any unimproved land acquired for the purpose of erecting a dwelling-house thereon, if the value of such land, determined in accordance with the provisions of sections 5, 6, 7 and 8, does not exceed R12 000."

30 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.

Amendment of section 9 of Act 40 of 1949, as amended by section 3 of Act 31 of 1953, section 12 of Act 80 of 1959, section 3 of Act 70 of 1963, section 3 of Act 77 of 1964, section 1 of Act 81 of 1965, section 7 of Act 103 of 1969, section 2 of Act 89 of 1972, section 3 of Act 66 of 1973, section 5 of Act 88 of 1974, section 77 of Act 54 of 1976 and section 2 of Act 95 of 1978.

7. (1) Section 9A of the Transfer Duty Act, 1949, is hereby amended—

35 (a) by the substitution for the words preceding paragraph (a) of the following words:

40 "If the right to occupy any part of a building has, before the date of commencement of the [Sectional Titles Act, 1971 (Act No. 66 of 1971)] Share Blocks Control Act, 1980 (Act No. 59 of 1980), become vested in any person by reason of the fact that he holds a share or shares in a company, [and that company or, if the company is not the owner of the building, the owner of the building has taken steps as contemplated in section 23 of the said Act for the purpose of conveying ownership to that person in respect of the part in question] and that person has become entitled [under the said section] in terms of item 8 of Schedule 1 to the said Act to have the ownership in the property (in this section referred to as the acquired property), consisting of a section of such building and an undivided share in the common property apportioned to that section, transferred to him by the said company [or the said owner]—"; and

55 (b) by the substitution for paragraph (b) of the following paragraph:

"(b) the consideration payable by the said person in respect of his acquisition of the acquired property

Amendment of section 9A of Act 40 of 1949, as inserted by section 4 of Act 66 of 1973 and amended by section 2 of Act 102 of 1979.

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5 shall for the purposes of determining the value or amount on which duty is payable in respect of such acquisition, be deemed to be the **[gross amount (without any set-off) of the consideration referred to in paragraph (iv) of the proviso to subsection (1) of the said section 23, plus the share of the costs referred to in paragraph (iii) of the said proviso which is payable by the said person to such company or owner]** the cost to
 10 him of the said share or shares plus, where applicable, the portion of any loan obligation of the company concerned allocated to him in terms of section 14 (2) of the first-mentioned Act;”.

15 (2) Subsection (1) shall come into operation on the date of commencement of the Share Blocks Control Act, 1980: Provided that if section 23 (2) of the said Act applies to any transfer of ownership as contemplated in section 9A of the Transfer Duty Act, 1949, the said section 9A shall be deemed not to have been amended by the said subsection (1).

20 8. (1) The Transfer Duty Act, 1949, is hereby amended by the substitution for the word “Secretary”, wherever it is used with reference to the Secretary as defined in section 1 of the said Act immediately prior to the amendment of that section by section 4 of this Act, of the word “Commissioner”.

Substitution of certain word in Act 40 of 1949.

25 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.

9. (1) Section 1 of the Estate Duty Act, 1955, is hereby amended—

Amendment of section 1 of Act 45 of 1955, as amended by section 1 of Act 59 of 1957, section 1 of Act 65 of 1960, section 7 of Act 77 of 1964 and section 3 of Act 92 of 1971.

30 (a) by the insertion in subsection (1) after the definition of “child” of the following definition:

“‘Commissioner’ means the Commissioner for Inland Revenue;” and

(b) by the deletion in subsection (1) of the definition of “Secretary”.

35 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.

10. (1) Section 3 of the Estate Duty Act, 1955, is hereby amended by the substitution for paragraph (a)bis of subsection (3) of the following paragraph:

Amendment of section 3 of Act 45 of 1955, as amended by section 2 of Act 65 of 1960, section 8 of Act 77 of 1964, section 2 of Act 81 of 1965, section 4 of Act 92 of 1971, section 3 of Act 89 of 1972 and section 3 of Act 102 of 1979.

40 “(a)bis so much of any benefit which is due and payable by any fund (excluding any annuity payable by a pension fund or a retirement annuity fund as respectively defined in section 1 of the Income Tax Act, 1962 (Act No. 58 of 1962)) on or as a result of the death of the deceased as exceeds the aggregate amount of any contributions or consideration proved to the satisfaction of the **[Secretary] Commissioner** to have been paid by the beneficiary, together with interest at six per cent per annum calculated upon such contributions or consideration from the date of payment to the date of death;”.

50 (2) Subsection (1) shall apply in respect of the estate of any person who died or dies on or after 1 April 1979.

11. (1) Section 4 of the Estate Duty Act, 1955, is hereby amended—

Amendment of section 4 of Act 45 of 1955, as amended by section 2 of Act 59 of 1957, section 3 of Act 65 of 1960,

55 (a) by the substitution in paragraph (k) for the expression “R40 000” of the expression “R50 000”; and

(b) by the substitution in paragraph (l) for the expression “R80 000” of the expression “R100 000”.

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(2) Subsection (1) shall apply in respect of the estate of any person who died or dies on or after 1 April 1980.

section 9 of Act 71 of 1961, section 9 of Act 77 of 1964, section 3 of Act 81 of 1965, section 2 of Act 94 of 1967, section 5 of Act 92 of 1971, section 2 of Act 70 of 1975, section 1 of Act 104 of 1976 and section 4 of Act 102 of 1979.

12. (1) Section 4A of the Estate Duty Act, 1955, is hereby amended by the substitution for the expression "R35 000" wherever it occurs of the expression "R37 500".

Amendment of section 4A of Act 45 of 1955, as inserted by section 6 of Act 92 of 1971 and amended by section 3 of Act 95 of 1978 and section 5 of Act 102 of 1979.

(2) Subsection (1) shall apply in respect of the estate of any person who died or dies on or after 1 April 1980.

13. (1) The First Schedule to the Estate Duty Act, 1955, is hereby amended by the substitution for the words and the table of rates of estate duty preceding the proviso of the following words and table of rates of estate duty:

Amendment of First Schedule to Act 45 of 1955, as substituted by section 9 of Act 92 of 1971.

"RATES OF ESTATE DUTY"

Dutiable amount of Estate	Rate of Duty
Where the dutiable amount— does not exceed R50 000	10 per cent on the dutiable amount;
exceeds R50 000 but does not exceed R100 000	R5 000 plus 13 per cent on the amount by which the dutiable amount exceeds R50 000;
„ R100 000 „ „ R150 000	R11 500 plus 16 per cent on the amount by which the dutiable amount exceeds R100 000;
„ R150 000 „ „ R200 000	R19 500 plus 19 per cent on the amount by which the dutiable amount exceeds R150 000;
„ R200 000 „ „ R250 000	R29 000 plus 22 per cent on the amount by which the dutiable amount exceeds R200 000;
„ R250 000 „ „ R300 000	R40 000 plus 25 per cent on the amount by which the dutiable amount exceeds R250 000;
„ R300 000 „ „ R350 000	R52 500 plus 28 per cent on the amount by which the dutiable amount exceeds R300 000;
„ R350 000 „ „ R400 000	R66 500 plus 31 per cent on the amount by which the dutiable amount exceeds R350 000;
„ R400 000	R82 000 plus 35 per cent on the amount by which the dutiable amount exceeds R400 000;".

(2) Subsection (1) shall apply in respect of the estate of any person who died or dies on or after 1 April 1980.

14. (1) The Estate Duty Act, 1955, is hereby amended by the substitution for the words "Secretary" and "Secretary's", wherever they are used with reference to the Secretary as defined in section 1 (1) of the said Act immediately prior to the amendment of that section by section 9 of this Act, of the words "Commissioner" and "Commissioner's", respectively.

Substitution of certain words in Act 45 of 1955.

(2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.

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15. (1) Section 1 of the Diamond Export Duty Act, 1957, is hereby amended—
- (a) by the insertion before the definition of "diamond" of the following definition:
- 5 "'Commissioner' means the Commissioner for Inland Revenue;"; and
- (b) by the deletion of the definition of "Secretary".
- (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
- 10 16. (1) The Diamond Export Duty Act, 1957, is hereby amended by the substitution for the word "Secretary", wherever it is used with reference to the Secretary as defined in section 1 of the said Act immediately prior to the amendment of that section by section 15 of this Act, of the word "Commissioner".
- 15 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
17. (1) Section 1 of the Cinematograph Films Tax Act, 1960, is hereby amended—
- 20 (a) by the insertion after the definition of "cinematograph film" of the following definition:
- "'Commissioner' means the Commissioner for Inland Revenue;"; and
- (b) by the deletion of the definition of "Secretary".
- (2) Subsection (1) shall be deemed to have come into operation 25 on 1 April 1980.
18. (1) The Cinematograph Films Tax Act, 1960, is hereby amended by the substitution for the word "Secretary", wherever it is used with reference to the Secretary as defined in section 1 of the said Act immediately prior to the amendment of that section 30 by section 17 of this Act, of the word "Commissioner".
- (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
19. (1) Section 1 of the Stamp Duties Act, 1968, is hereby amended—
- 35 (a) by the insertion after the definition of "cheque" of the following definition:
- "'Commissioner' means the Commissioner for Inland Revenue;"; and
- (b) by the deletion of the definition of "Secretary".
- 40 (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
20. (1) Section 23 of the Stamp Duties Act, 1968, is hereby amended—
- 45 (a) by the substitution in subsection (1) for the definition of "arbitrage transaction" of the following definition:
- "'arbitrage transaction' means a purchase or sale, by a broker, of any marketable security listed by [recognized stock exchanges] a recognized stock exchange in the Republic and dealt in on the market in any other country, if such purchase or sale is, in accordance with the practice of [those exchanges] that exchange in relation to arbitrage, effected in order to take advantage of the difference in the prices of such marketable security on the markets in the Republic and such other country and, in consequence of such purchase or sale, the ownership of the marketable security passes from a person in the Republic to a person in [such other country] any country or territory other than a country or territory referred to in subparagraph (i) of paragraph (nA) of the 'Exemptions from the duty under paragraph (3)' in Item 15 of Schedule I, or vice versa;";
- 50
- 55
- 60

Amendment of section 1 of Act 16 of 1957, as amended by section 10 of Act 103 of 1969.

Substitution of certain word in Act 16 of 1957.

Amendment of section 1 of Act 56 of 1960, as amended by section 13 of Act 103 of 1969.

Substitution of certain word in Act 56 of 1960.

Amendment of section 1 of Act 77 of 1968, as amended by section 16 of Act 103 of 1969, section 5 of Act 66 of 1973 and section 7 of Act 88 of 1974.

Amendment of section 23 of Act 77 of 1968, as amended by section 20 of Act 103 of 1969, section 13 of Act 92 of 1971, section 11 of Act 89 of 1972, section 10 of Act 66 of 1973 and section 10 of Act 88 of 1974.

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(b) by the insertion after subparagraph (vii) of paragraph (b) of subsection (4) of the following subparagraph:

“(viiA) where exemption from duty is claimed under

5 paragraph (nA) of the Exemptions to Item 15 (3) of Schedule 1—

(aa) such instrument bears an endorsement by the buying broker concerned in the relevant arbitrage transaction, made in such form as the Commissioner may approve, to the effect that the registration of transfer is effected in consequence of such arbitrage transaction and that the purchaser referred to in the said paragraph is not resident in any country or territory referred to in subparagraph (i) of the said paragraph; and

(bb) the scrip, certificate, warrant or other instrument by which the ownership of or title to such marketable security is represented bears such endorsement or stamp made or impressed by an authorized dealer in foreign exchange as may be required by the Exchange Control Regulations, 1961, and the Orders and Rules, 1961, made under and by virtue of the Currency and Exchanges Act, 1933 (Act No. 91 of 1933); or”;

(c) by the substitution for paragraph (b) of subsection (8) of the following paragraph:

“(b) makes any endorsement on any instrument of transfer for the purposes of subsection (4) (b) (ii), (v), (vi), [or] (vii) or (viiA) which is false or incorrect or fails to comply with the provisions of subsection (5); or”.

(2) Subsection (1) shall come into operation on 1 July 1980.

21. (1) Item 15 of Schedule 1 to the Stamp Duties Act, 1968, is hereby amended—

(a) by the substitution for the words preceding paragraph (1) of the following words:

“Marketable security, including any scrip, certificate, warrant or any other like instrument representing any share, stock or debenture, or any right of option to acquire any share, stock or debenture, of any company or other corporate body other than—

(i) a local authority;

(ii) the Rand Water Board;

(iii) the Electricity Supply Commission;

(iv) the Land and Agricultural Bank of South Africa;

(v) the South African Reserve Bank;

(vi) the South African Gas Distribution Corporation Limited;

(vii) the Uranium Enrichment Corporation of South Africa Limited;

(viii) a water board established under Chapter VII of the Water Act, 1956 (Act No. 54 of 1956);

(ix) a regional water services corporation constituted under section 7 of the Water Services Ordinance, 1963 (Ordinance No. 27 of 1963), of Natal;

(x) the Corporation for Economic Development Limited;

or
(xi) a building society”;

(b) by the insertion after paragraph (n) of the “Exemptions from the duty under paragraph (3)” of the following paragraph:

Amendment of Item 15 of Schedule 1 to Act 77 of 1968, as substituted by section 13 of Act 89 of 1972 and amended by section 16 of Act 66 of 1973, section 21 of Act 88 of 1974, section 3 of Act 104 of 1976, section 20 of Act 114 of 1977, section 8 of Act 95 of 1978 and section 8 of Act 102 of 1979.

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- “(nA) Any registration of transfer of any marketable security into the name of a person (hereinafter referred to as the purchaser) or of a nominee company acting as nominee of the purchaser, if the purchaser has become the owner of such marketable security in consequence of the purchase by a broker of such marketable security under an arbitrage transaction concluded on or after 1 July 1980, and—
- (i) the purchaser is not resident in the Republic, South West Africa, Botswana, Lesotho, Swaziland or any country which formerly formed part of the Republic; and
- (ii) any regulation, order or rule regarding currency made under the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), which is applicable in connection with the acquisition of the marketable security by the purchaser, has been complied with.”
- (2) Paragraph (a) of subsection (1) shall be deemed to have come into operation on 28 February 1980, and paragraph (b) of that subsection shall come into operation on 1 July 1980.
22. (1) The Stamp Duties Act, 1968, is hereby amended by the substitution for the word “Secretary”, wherever it is used with reference to the Secretary as defined in section 1 of the said Act immediately prior to the amendment of that section by section 19 of this Act, of the word “Commissioner”. Substitution of certain word in Act 77 of 1968.
- (2) Subsection (1) shall be deemed to have come into operation on 1 April 1980.
23. Anything done by or on behalf of the Secretary for Inland Revenue in the administration of any law shall be deemed to have been done by or on behalf of the Commissioner for Inland Revenue, and a reference in any document to the Secretary for Inland Revenue shall be construed as a reference to the Commissioner for Inland Revenue. Construction of certain acts of and references in documents to Secretary for Inland Revenue.
24. The laws specified in the Schedule are hereby repealed to the extent set out in the third column of that Schedule. Repeal of laws.
25. This Act shall be called the Revenue Laws Amendment Act, 1980. Short title.

Schedule

LAWS REPEALED

Number and year of law	Short title of law	Extent of repeal
Act No. 26 of 1911	Natal Poll Tax Act, 1905, Amendment Act, 1911	The whole
Act No. 8 of 1913	Natal Poll Tax Further Suspension Act, 1913	The whole
Act No. 31 of 1913	Stamp Duties and Fees Amendment Act, 1913	The whole
Act No. 30 of 1914	Natal Poll Tax Further Suspension Act, 1914	The whole
Act No. 29 of 1974	General Law Amendment Act, 1974	Section 23