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REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

Registered at the Post Office as a Newspaper

As 'n Nuusblad by die Poskantoor Geregistreer

Price 10c Prys
Overseas 15c Oorsee
POST FREE—POSVRY

ISBN 0 621 00228 3

Vol. 84.]

CAPE TOWN, 28TH JUNE, 1972.

[No. 3592.

KAAPSTAD, 28 JUNIE 1972.

DEPARTMENT OF THE PRIME MINISTER.

DEPARTEMENT VAN DIE EERSTE MINISTER.

No. 1124. 28th June, 1972.

No. 1124. 28 Junie 1972.

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

Hierby word bekend gemaak dat die Staatspresident se goedkeuring gegee het aan die onderstaande Wet wat hier ter algemene inligting gepubliseer word:—

No. 89 of 1972: Revenue Laws Amendment Act, 1972.

No. 89 van 1972: Wysigingswet op Inkomstewette,

ACT

To amend section 14 of the Financial Relations Consolidation and Amendment Act, 1945, so as to exclude certain further trades or occupations from those in relation to which a provincial council may make ordinances; to amend section 9 of the Transfer Duty Act, 1949, so as to provide for a further exemption from duty; to amend the Estate Duty Act, 1955, so as to effect certain textual changes in sections 3 and 29 of that Act; to amend the Licences Act, 1962, so as to provide for the payment into provincial revenue funds of certain amounts collected under that Act and to exclude certain trades and occupations from those in respect of which licences are required to be taken out under that Act; to amend the Banks Act, 1965, so as to compel banking institutions to obtain bankers' licences under that Act; to amend the provisions of the Stamp Duties Act, 1968, relating to the stamping of certain instruments, the definitions and the exemptions from the stamp duty payable in respect of the registration of transfer of marketable securities and to amend the provisions of that Act so as to provide for an exemption from the duty payable in respect of customs and excise documents and for the payment of a stamp duty in respect of the acquisition of marketable securities; to repeal the Registration of Businesses Act, 1909, of the Transvaal, section 1 of the Financial Adjustments Act, 1933, and section 13 of the Finance Act, 1944; and to provide for incidental matters.

(English text signed by the State President.)
(Assented to 16th June, 1972.)

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

1. Section 14 of the Financial Relations Consolidation and Amendment Act, 1945, is hereby amended by the substitution for subsection (2) of the following subsection:

“(2) The provisions of subsection (1) shall not apply to the trade or occupation of any advocate, attorney, accountant, auditor, architect, insurer, building society, banker or banking institution, board of executors or trust company, conveyancer, dentist, medical practitioner, nurse, notary, veterinary surgeon or person by whom a licence or an authority or an exemption from obtaining a licence under the provisions of the Liquor Act, 1928 (Act No. 30 of 1928), is required or to any other trade or occupation specified by the Minister of Economic Affairs by notice in the *Gazette*.”.

Amendment of section 14 of Act 38 of 1945, as substituted by section 1 of Act 69 of 1968.

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2. Section 9 of the Transfer Duty Act, 1949, is hereby amended by the insertion after paragraph (b) of subsection (1) of the following paragraph:

“(bA) the Electricity Supply Commission;”.

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 and section 7 of Act 103 of 1969.

3. (1) Section 3 of the Estate Duty Act, 1955, is hereby amended by the substitution for subparagraph (cc) of paragraph (c) of subsection (3) of the following subparagraph:

“(cc) such donation was made to a person who predeceased the donor, other than a child referred to in section 4A (c);”.

(2) The amendment effected by subsection (1) shall apply in respect of the estate of any person who died or dies on or after 1st April, 1971.

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 and section 4 of Act 92 of 1971.

4. The following section is hereby substituted for section 29 of the Estate Duty Act, 1955:

“Regulations.

29. The State President may make regulations for the better carrying out of the objects and purposes of this Act, including regulations as to the valuation of annuities or of fiduciary, usufructuary or other limited interests in property, the hearing of an appeal under section 24, and the payment of fees to executors and other persons required to render returns under this Act in respect of property with regard to which no remuneration is payable under the provisions of section 69 of the Administration of Estates Act, 1913 (Act No. 24 of 1913), or section 51 of the Administration of Estates Act, 1965 (Act No. 66 of 1965).”.

Substitution of section 29 of Act 45 of 1955.

5. (1) The following section is hereby substituted for section 12 of the Licences Act, 1962:

“Funds to be credited with licence duties, penalties and fines collected and bails estreated under this Act.

12. (1) All licence duties and penalties collected under this Act and all fines received for contraventions of this Act in respect of such duties and all bails estreated in connection with any such contravention, other than the licence duties, penalties, fines or bails referred to in subsections (2) and (3), shall be paid into the Consolidated Revenue Fund.

(2) Any fines received or bails estreated in connection with any contraventions of this Act in respect of duties which any municipal council, borough council or town council has undertaken to collect on behalf of the Government, shall be paid to such municipal council, borough council or town council.

(3) Any amount (other than an amount accruing to the Transkeian Revenue Fund or to a Revenue Fund referred to in section 6 of the Bantu Homelands Constitution Act, 1971 (Act No. 21 of 1971)) collected in respect of—

(a) any licence duty payable for any licence issued within any province in respect of the carrying on of any trade or occupation specified in the First and Second Schedules; and

Substitution of section 12 of Act 44 of 1962.

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(b) any penalty payable under section 10 in respect of any licence referred to in paragraph (a), shall be paid into the revenue fund of the province concerned: Provided that any repayment of any such amount, or portion thereof, shall be paid as a drawback from revenues accruing to such revenue fund.”

(2) Subsection (1) shall be deemed to have come into operation on 1st April, 1972.

6. (1) The First Schedule to the Licences Act, 1962, is hereby amended by the deletion of Item 2.

Deletion of Item 2 of 1st Schedule to Act 44 of 1962, as substituted by section 18 of Act 77 of 1964 and amended by section 11 of Act 92 of 1971.

(2) Subsection (1) shall come into operation on 1st January, 1973.

7. (1) The Second Schedule to the Licences Act, 1962, is hereby amended by the deletion of Item 6 of Part II.

Deletion of Item 6 of Part II of 2nd Schedule to Act 44 of 1962.

(2) Subsection (1) shall come into operation on 1st January, 1973.

8. (1) The following section is hereby inserted in the Banks Act, 1965, after section 47:

Insertion of section 47A in Act 23 of 1965.

“Annual licence.

47A. (1) Every banking institution registered or provisionally registered under this Act shall obtain from the receiver of revenue of the district in which such banking institution's head office is situated a banker's licence in respect of each and every year ending on the thirty-first day of December.

(2) A duty of forty rand in respect of each branch of such banking institution shall be paid for such licence to the receiver of revenue concerned: Provided that the duty in respect of any new banking institution established, or of any new branch in which business is commenced on or after the first day of July in the year for which the licence is required shall be twenty rand.

(3) The duty shall be paid before the end of January of the year for which the licence is required: Provided that the duty in respect of any new banking institution established, or of any new branch in which business is commenced after the beginning of any year shall be paid within one month after the date on which business is so commenced.

(4) Any banking institution which fails to pay the full amount of the duty within the period allowed in terms of subsection (3) for payment thereof shall, in addition to such duty, pay for each month or part of a month during which the duty remains so unpaid, a penalty calculated at the rate of ten per cent of the amount of duty which it has failed to pay as aforesaid, and reckoned from the date on which the liability to pay the duty arose.

(5) All moneys due under this section shall be a debt due to the Government of the Republic and shall be recoverable by action in any competent court by the Secretary for Inland Revenue.

(6) The duty and any penalty collected under this section in respect of any branch, other than a branch in the territory, shall accrue for the benefit of the Consolidated Revenue Fund, and the duty and any penalty collected under this section in respect of any branch in the territory shall accrue for the benefit of the Revenue Fund of the territory.”

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(2) Subsection (1) shall come into operation on 1st January, 1973.

9. Section 5 of the Stamp Duties Act, 1968, is hereby amended by the substitution for paragraph (iii) of the proviso to subsection (1) of the following paragraph: Amendment of section 5 of Act 77 of 1968.

“(iii) where the Secretary is satisfied that any person or class of persons cannot conveniently denote the duty in respect of cheques or fixed deposit receipts or the original issue of marketable securities by means of stamps affixed to such cheques, fixed deposit receipts or marketable securities, he may, subject to such conditions as he may impose and subject to the exercise of such control as he considers necessary, agree that payment of such duty may be acknowledged by means of the issue of a special receipt, and any such cheque, fixed deposit receipt or marketable security which bears on its face the words ‘duty paid’, shall for the purposes of this Act be deemed to be duly stamped.”.

10. Section 7 of the Stamp Duties Act, 1968, is hereby amended by the insertion after paragraph (hA) of the following paragraph: Amendment of section 7 of Act 77 of 1968, as amended by section 18 of Act 103 of 1969.

“(hB) in the case of the acquisition of any marketable security as contemplated in Item 15 (5) of Schedule 1, the person by whom such marketable security is acquired;”.

11. (1) Section 23 of the Stamp Duties Act, 1968, is hereby amended— Amendment of section 23 of Act 77 of 1968, as amended by section 20 of Act 103 of 1969 and section 13 of Act 92 of 1971.

(a) by the insertion in subsection (1) before the definition of “bank” of the following definition:

“‘arbitrage transaction’ means a purchase or sale, by a broker, of any marketable security listed by recognized stock exchanges in the Republic and any other country, if such purchase or sale is, in accordance with the practice of those exchanges 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 or vice versa;”;

(b) by the insertion in the said subsection after the definition of “bank” of the following definition:

“‘broker’ means a person who carries on the business of buying and selling marketable securities on behalf of other persons and who is a member of a recognized stock exchange in the Republic;”;

(c) by the addition to the said subsection of the following definitions:

“‘nominee’ means any person who, by virtue of a nomination, appointment, agreement or arrangement, has become or is entitled or obliged to become the registered holder of any marketable security as the nominee or agent of any other person;

‘nominee company’ means a company which is controlled by a broker or a bank, whose entire issued share capital is held for his or its own benefit by such broker or bank and whose operations are solely or mainly confined to functioning, on the instructions of such broker or bank, as a nominee in respect of marketable securities;”;

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(d) by the substitution for paragraph (a) of subsection (2) of the following paragraph:

“(a) An instrument of transfer shall for the purposes of the duty payable under the provisions of Item 15 (3) of Schedule 1 be executed in respect of every transfer of a marketable security and the duty payable under those provisions in respect of the registration of such transfer shall be denoted on such instrument.”;

(e) by the insertion in the said subsection (2) after the word “any”, wherever it occurs in paragraphs (b) and (c), of the word “such”;

(f) by the substitution for paragraph (b) of subsection (4) of the following paragraph:

“(b) (i) where duty is payable under Item 15 (3) of Schedule 1 in respect of the registration of such transfer, such instrument is duly stamped; or

(ii) where exemption from duty is claimed under paragraph (f) of the Exemptions to Item 15 (3) of Schedule 1, such instrument bears an endorsement made by the buying broker or a bank acting on behalf of the transferee in connection with the relevant purchase, in such form as the Secretary may approve, to the effect that the tax referred to in section 2 of the Marketable Securities Tax Act, 1948 (Act No. 32 of 1948), has on or after the date of commencement of this Act become payable in respect of the purchase by the transferee of such marketable security; or

(iiA) where exemption from duty is claimed under paragraph (g) of the Exemptions to Item 15 (3) of Schedule 1, there is annexed to or incorporated in such instrument a statement signed by the parties to the relevant transaction or their respective agents of all such facts within the knowledge of each of the subscribers as may be necessary to establish the claim for such exemption; or

(iii) where exemption from duty is claimed under paragraph (h) of the Exemptions to Item 15 (3) of Schedule 1, there is produced the certificate issued in terms of section 14 (1) (e) of the Pension Funds Act, 1956 (Act No. 24 of 1956), in respect of the scheme referred to in the said paragraph; or

(iv) where exemption from duty is claimed under paragraph (i) of the Exemptions to Item 15 (3) of Schedule 1, there is produced a certificate by the Secretary to the effect that the exemption is applicable; or

(v) where exemption from duty is claimed under paragraph (j), (k) or (l) of the Exemptions to Item 15 (3) of Schedule 1, such instrument bears an appropriate endorsement as to the facts necessary to establish the claim, made in such form as the Secretary may approve—

(aa) where registration of transfer of a marketable security to or from a broker or a nominee company controlled by a

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- broker is effected, by the broker concerned; or
- (bb) where registration of transfer of a marketable security to or from a nominee company controlled by a bank is effected, by the bank concerned; or
- (vi) where exemption from duty is claimed under paragraph (m) of the Exemptions to Item 15 (3) of Schedule 1, such instrument bears an appropriate endorsement as to the facts necessary to establish the claim, made in such form as the Secretary may approve, by the transferor referred to in that paragraph or, if the transferor is a nominee company, by the broker or bank by whom such nominee company is controlled; or
- (vii) where exemption from duty is claimed under paragraph (n) of the Exemptions to Item 15 (3) of Schedule 1, such instrument bears an endorsement by the broker concerned in the relevant arbitrage transaction or, subject to such conditions as the Secretary may impose, by any bank or branch of a bank specially authorized by the Secretary to make endorsements under this subparagraph, made in such form as the Secretary may approve, to the effect that the registration of transfer is effected in consequence of such arbitrage transaction and to facilitate delivery of the marketable security; or
- (viii) where exemption from duty is claimed under paragraph (o) of the Exemptions to Item 15 (3) of Schedule 1, there is produced a certificate by the Secretary to the effect that the exemption is applicable.”;
- (g) by the substitution for subsection (5) of the following subsection:
“(5) No endorsement shall be made by any broker or bank for the purposes of subsection (4) (b) (ii), (v), (vi) or (vii) unless the transferee’s name appears in the relevant instrument of transfer.”;
- (h) by the insertion after paragraph (a) of subsection (8) of the following paragraph:
“(aA) makes or signs any statement for the purposes of subsection (4) (b) (iiA) which is false or incorrect; or”;
- (i) 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) or (vi) which is false or incorrect or fails to comply with the provisions of subsection (5); or”;
- (j) by the substitution for subsection (9) of the following subsection:
“(9) If any company or corporate body or any officer thereof fails to comply with any requirement of subsection (4), (6) or (11), it shall, in addition to being liable for any unpaid duty, incur a penalty not exceeding one hundred rand.”; and
- (k) by the addition of the following subsections:
“(14) For the purposes of the duty payable under Item 15 (5)—

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- (a) a person shall be deemed to have acquired any marketable security if, upon the conclusion of any transaction for the sale or disposal of the marketable security to him by any other person, or, upon or in consequence of the death of anybody or the happening of any event, such person has become entitled to the ownership of that marketable security;
- (b) where any marketable security devolves upon any person under the will of a deceased person or by intestate succession, or where any person becomes entitled to any marketable security by virtue of a re-distribution of the assets of the estate of a deceased person during the course of the liquidation of such estate, the person upon whom the marketable security so devolves or who becomes entitled to the marketable security as aforesaid shall, for the purpose of determining the value upon which duty is payable, be deemed to have acquired the marketable security upon the date of death of the deceased person.
- (15) (a) Any duty payable under Item 15 (5) of Schedule 1 in respect of the acquisition of any marketable security shall be denoted on a deed or declaration which shall be executed in respect of such acquisition.
- (b) The provisions of sections 8 and 9 and subsections (1) to (5), inclusive, of section 10 shall not apply in respect of any such deed or declaration.
- (c) The stamps on any such deed or declaration shall be defaced as provided in section 10 (6) or (7) by the person acquiring the marketable security or by the person with whom the deed or declaration is lodged as contemplated in paragraph (d).
- (d) Such deed or declaration shall be lodged—
- (i) where the duty under paragraph (5) of Item 15 of Schedule 1 is payable in the circumstances contemplated in subparagraph (a) of that paragraph, with the nominee referred to in that subparagraph or, if that nominee is a nominee company, with the broker or bank by whom such company is controlled; or
 - (ii) where the said duty is payable in the circumstances contemplated in subparagraph (b) of the said paragraph, with the nominee referred to in that subparagraph; or
 - (iii) where the said duty is payable in the circumstances contemplated in subparagraph (c) of the said paragraph, with the transferor referred to in that subparagraph.
- (16) Any deed or declaration referred to in subsection (15) shall at all reasonable times during a period of three years after it has come into the possession of the person with whom it is lodged as contemplated in the said subsection, be open for inspection by any person acting under the authority of the Secretary.
- (17) Where any marketable security has been acquired by any transferee as contemplated in paragraph (5) of Item 15 of Schedule 1, the person who, immediately prior to the acquisition of the marketable security by the transferee, was the registered holder thereof or was a nominee in respect thereof, shall—
- (a) where the provisions of subparagraph (a) or (c) of the said paragraph are applicable, refrain from making any payment to the transferee in respect of any amount which has accrued on the marketable security and is due to the transferee by way of

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dividends, interest or any other distribution of income or capital, from exercising on behalf of or for the benefit of the transferee any rights in respect of or attaching to the marketable security and generally from acting as a nominee in relation to the marketable security or as an agent of the transferee in connection with the marketable security, except for purposes connected with the payment of duty under the said paragraph or under paragraph (3) of the said Item; or

- (b) where the provisions of subparagraph (b) of the said paragraph (5) are applicable, refrain from paying out or utilizing in any manner any amount accruing on the marketable security by way of dividends, interest, income or a distribution of capital and generally from exercising his rights in respect of the marketable security, except for purposes connected with the payment of duty under the said paragraph or under paragraph (3) of the said Item,

until a deed or declaration has been executed, duly stamped and lodged with the person with whom it is required to be lodged, as required under subsection (15).

(18) The reference in subsection (17) to a person who was the registered holder of any marketable security or was a nominee in respect thereof shall, where such person is a nominee company, be construed as including a reference to the broker or bank by whom such company is controlled.

(19) If duty has become payable under Item 15 (5) of Schedule 1 in respect of the acquisition of any marketable security, any person who fails to comply with or who contravenes any of the provisions of subsection (15), (16) or (17) or the provisions of subsection (17), as applied by subsection (18), shall incur a penalty of an amount not exceeding double such duty (whether or not such duty has been paid) or an amount not exceeding one hundred rand, whichever amount is higher.”.

- (2) (a) Save as provided in paragraphs (b) and (c) of this subsection, subsection (1) shall come into operation on 1st August, 1972.
- (b) The provisions of subparagraph (vii) of section 23 (4) (b) of the Stamp Duties Act, 1968, as substituted by paragraph (f) of subsection (1) of this section, shall be deemed to have come into operation on 30th March, 1972.
- (c) Paragraphs (g) and (i) of subsection (1) of this section shall be deemed to have come into operation on 30th March, 1972.

12. Item 11 of Schedule 1 to the Stamp Duties Act, 1968, is hereby amended by the addition to the Exemptions to the said Item of the following paragraph: Amendment of
Item 11 of
Schedule 1 to
Act 77 of 1968.

- “(d) Any document of entry relating to any goods imported under the provisions of Item 407.03 of Schedule 4 to the Customs and Excise Act, 1964 (Act No. 91 of 1964).”.

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13. (1) The following Item is hereby substituted for Item 15 of Schedule 1 to the Stamp Duties Act, 1968:

Substitution of Item 15 of Schedule 1 to Act 77 of 1968, as amended by section 25 of Act 103 of 1969 and section 10 of Act 72 of 1970.

"15. *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 a local authority, the Rand Water Board, the Electricity Supply Commission, the Land and Agricultural Bank of South Africa, a water board established under Chapter VII of the Water Act, 1956 (Act No. 54 of 1956), a Regional Water Supply Corporation constituted under section 7 of the Water Supply Ordinance, 1963 (Ordinance No. 27 of 1963), of Natal, or a building society):

- (1) In respect of the original issue within the Republic of any such shares, stock or debentures:
 - (a) if transferable only by registration: for every R20 or part thereof of the nominal value R c
0 05
 - (b) if made out to bearer or in any manner so as to be transferable by delivery only: for every R20 or part thereof of the nominal value 0 20
- (2) In respect of the issue within the Republic of any certificate or other like instrument representing any interest in respect of such shares, stock or debentures, whether called unit or fixed trust certificates or by any other name:
 - (a) if not transferable or if transferable only by registration: for every R100 or part thereof of the price of issue 0 05
 - (b) if made out to bearer or in any manner so as to be transferable by delivery only: for every R100 or part thereof of the price of issue 0 20

Exemptions from the duty under paragraph (1) or (2):

- (a) Where the scrip, certificate, warrant or other like instrument is issued solely in substitution for any instrument or instruments of the same nature of like or equivalent value, withdrawn, cancelled or lost, which were owned by the person to whom the issue in substitution is made: Provided that this exemption shall only be allowable if the new instrument is endorsed by a director, secretary or responsible officer as being a *bona fide* substitution without change of owner.
 - (b) The issue of any negotiable certificate in respect of any deposit made with any banking institution registered under the Banks Act, 1965 (Act No. 23 of 1965), if such certificate is subject to duty under Item 13.
- (3) In respect of the registration of transfer of any such marketable security:
- (a) if the marketable security was sold or disposed of not later than the twenty-sixth day of March, 1969, and the date of the sale or disposal is noted on the relevant instrument of transfer referred to in section 23 of this Act by the transferee or his agent and such note is signed by the transferee or his agent:
 - (i) if transfer is registered before the expiry of a period of six months from the date of execution of such instrument of transfer: for every R100 or part thereof of the amount or value of the consideration given, or where no consideration is given,

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of the value of the marketable security transferred	R c 0 50
(ii) if transfer is registered after the expiry of the said period	Three times the duty which would have been payable under (a) (i) if transfer had been registered before the expiry of the said period of six months.
(b) in any other case:	
(i) if transfer is registered before the expiry of a period of six months from the date of execution of the relevant instrument of transfer referred to in section 23 of this Act: for every R10 or part thereof of the amount or value of the consideration given, or where no consideration is given, of the value of the marketable security transferred	R c 0 10
(ii) if transfer is registered after the expiry of the said period	Three times the duty which would have been payable under (b) (i) if transfer had been registered before the expiry of the said period of six months.

Exemptions from the duty under paragraph (3):

- (a) The registration of transfer of shares of any company incorporated or managed and controlled in the territory if the sale or disposal of such shares was made in the territory before the first day of October, 1969, and stamp duty has been paid in respect of such registration of transfer under the stamp duty laws of the territory.
- (b) Any registration of transfer of any marketable security held by any executor of the estate of a deceased person, or by any administrator or trustee under a trust created by will or notarial deed (other than a trust under which the administrator or trustee is the nominee of any person in relation to the marketable security), if such transfer is necessitated by a change of executors, administrators or trustees and no change in the beneficial interest of any person in the said marketable security is effected.
- (c) Any registration of transfer of any share, stock or debenture of any company with reference to which the Treasury has given an undertaking as contemplated by section 10 (1) (s) of the Income Tax Act, 1962 (Act No. 58 of 1962).
- (d) The registration of transfer of any negotiable certificate in respect of any deposit made with any banking institution registered under the Banks Act, 1965 (Act No. 23 of 1965), if such certificate is subject to duty under Item 13.
- (e) Any registration of transfer of any marketable security issued by any com-

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pany or corporate body, if the instrument of transfer is executed outside the Republic and the registration of transfer is effected in any branch register kept by such company or corporate body outside the Republic.

- (f) Any registration of transfer of any marketable security purchased by any person on or after the date of commencement of this Act, if the purchase by such person of such marketable security was negotiated by a stockbroker as defined in the definition of 'stockbroker' in section 1 of the Marketable Securities Tax Act, 1948 (Act No. 32 of 1948), and the tax referred to in section 2 of that Act has on or after the said date become payable in respect of such purchase.
- (g) Any registration of transfer of any marketable security—
- (i) from a principal who, at the time of such registration, is the owner of the beneficial interest in such marketable security, to a nominee appointed by that principal, without any alteration of the beneficial interest of the principal therein; or
 - (ii) from a nominee to a principal who is the owner of the beneficial interest in such marketable security if—
 - (aa) throughout the period reckoned from the time at which such nominee became a nominee in respect of such marketable security, or from the time at which such marketable security was registered in the name of such nominee, whether in the capacity of a nominee or otherwise, whichever time is earlier, to the time of registration of such transfer, the said nominee has, in relation to such marketable security, been the nominee of the said principal, without any change of the beneficial interest of the principal therein; or
 - (bb) where during the said period duty has become payable under Item 15 (5) of Schedule 1 in respect of one or more acquisitions of such marketable security, the said duty has been paid in respect of each such acquisition.
- (h) Any registration of transfer of any marketable security registered in the name of any pension fund which is registered under the Pension Funds Act, 1956 (Act No. 24 of 1956), to any other pension fund which is registered under that Act, if such transfer is made in pursuance of a scheme referred to in section 14 (1) of that Act.
- (i) Any registration of transfer effected on or after the date of commencement of the Revenue Laws Amendment Act, 1969, in respect of any marketable security sold or disposed of to any company (hereinafter referred to as the subsidiary

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company) which is registered, managed and controlled in the Republic by any other company (hereinafter referred to as the foreign company) which is registered, managed and controlled outside the Republic, if it is proved to the satisfaction of the Secretary—

- (i) that at the time of such sale or disposal all the issued shares of the subsidiary company were held for its own benefit by the foreign company or a company which was registered, managed and controlled outside the Republic and was controlled by or controlled the foreign company; and
 - (ii) that the subsidiary company has under an arrangement with the foreign company acquired from the foreign company all the assets, including the said marketable security, relating to any industrial or commercial or other business undertaking of the foreign company in the Republic.
- (j) Any registration of transfer of any marketable security from a transferor who is the registered holder thereof to a broker in his capacity as a nominee or to a nominee company in its capacity as nominee, if—
- (i) such registration is effected at the request of a bank or broker in consequence of the purchase or sale of such marketable security by such broker on behalf of a client of such broker or by a broker on behalf of a client of any broker or bank by whom the nominee company is controlled; and
 - (ii) the tax referred to in section 2 of the Marketable Securities Tax Act, 1948, has become payable in respect of such purchase or sale.
- (k) Any registration of transfer of any marketable security from a transferor who is the registered holder thereof to a broker in his capacity as a nominee or to a nominee company in its capacity as a nominee if the transferor retains his interest in such marketable security.
- (l) Any registration of transfer of any marketable security from a broker to a client of such broker or from a nominee company to a client of the broker or bank by whom such nominee company is controlled, if, throughout the period during which the marketable security has been registered in the name of such firstmentioned broker or such nominee company, the broker or nominee company has held the marketable security as a nominee solely for the benefit of the client concerned.
- (m) Any registration of transfer of any marketable security from one nominee (hereinafter referred to as the transferor) to another nominee, if—
- (i) such registration of transfer is effected in consequence of a mere change of nominees without any alteration of the beneficial interest of any person in such marketable security being thereby effected; and

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- (ii) throughout the period during which such marketable security has been registered in the name of the transferor he has held the marketable security as a nominee solely for the benefit of the person for whose benefit it was so held by him at the commencement of that period.
- (n) Any registration of transfer of any marketable security into the name of a broker or of a nominee company, if such registration of transfer is effected in consequence of the purchase or sale of such marketable security under an arbitrage transaction (as defined in section 23 of this Act) concluded on or after 30th March, 1972, and in order to facilitate the delivery of such marketable security to a purchaser in the Republic or to a person outside the Republic who is concerned in the transaction.
- (o) Any registration of transfer effected in respect of any marketable security sold or disposed of by any company (hereinafter referred to as the subsidiary company) to any other company (hereinafter referred to as the parent company), if it is proved to the satisfaction of the Secretary—
 - (i) that throughout the period of twelve months ending on the date of such sale or disposal all the issued shares of the subsidiary company were held for its own benefit by the parent company;
 - (ii) that there has accrued from the parent company to the subsidiary company in respect of such sale or disposal a consideration the value of which is not less than the market value of the said marketable security on the date of such sale or disposal; and
 - (iii) that such sale or disposal has been effected in the course of or in anticipation of the winding-up or liquidation of the subsidiary company or by reason of a major reorganization of the affairs of the subsidiary company or the parent company.
- (4) In respect of the cancellation of any company shares which any person is in terms of section 23 (10) of this Act deemed to have disposed of: for every R10 or part thereof of the value of the consideration referred to in the said section 23 (10)
- (5) In respect of the acquisition (other than an acquisition by way of a purchase in respect of which the tax referred to in section 2 of the Marketable Securities Tax Act, 1948 (Act No. 32 of 1948), has become payable) by any person (hereinafter referred to as the transferee) from any other person (hereinafter referred to as the transferor) of any marketable security on or after 1st August, 1972, if—
 - (a) immediately prior to such acquisition any person (other than the transferee) was a nominee in respect of such marketable security; or
 - (b) immediately prior to such acquisition the transferee was a nominee in respect of such marketable security; or
 - (c) after such acquisition the transferor continues to be or becomes the registered holder of such marketable security and becomes or is to become a nominee in respect of such marketable security,
 the duty to be the following:
 - (i) if the relevant deed or declaration referred to in section 23 (15) of this Act is

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duly stamped before the expiry of a period of six months from the date of such acquisition: for every R10 or part thereof of the amount or value of the consideration given, or where no consideration is given, of the value of the marketable security	R c 0 10	
(ii) if such deed or declaration is not duly stamped within the said period		Three times the duty which would have been payable under (i) if the deed or declaration had been duly stamped within the said period of six months.

Exemption from the duty under paragraph (5): The acquisition of any marketable security by the transferee, if registration of the transfer of such marketable security from the transferor to the transferee has been effected and the provisions of section 23 (17), or section 23 (17) as applied by section 23 (18), of this Act have not been contravened.

In this Item 'broker', 'nominee' and 'nominee company' respectively means a broker, nominee or nominee company as defined in section 23 of this Act."

- (2) (a) Save as provided in paragraph (b) of this subsection, subsection (1) shall come into operation on 1st August, 1972.
- (b) The provisions of paragraph (n) of the Exemptions from the duty under paragraph (3) of Item 15 of Schedule 1 to the Stamp Duties Act, 1968, as substituted by subsection (1) of this section, shall be deemed to have come into operation on 30th March, 1972.

14. (1) The Registration of Businesses Act, 1909, of the Repeal of laws. Transvaal (Act No. 36 of 1909), section 1 of the Financial Adjustments Act, 1933 (Act No. 29 of 1933), and section 13 of the Finance Act, 1944 (Act No. 46 of 1944), are hereby repealed.

(2) Subsection (1) shall come into operation on a date to be fixed by the State President by proclamation in the *Gazette*.

15. This Act shall be called the Revenue Laws Amendment Short title. Act, 1972.