

No. 81, 1965.]

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ACT

To amend section *nine* of the Transfer Duty Act, 1949, sections *three, four, five, eight bis, twenty-three* and *twenty-eight* of, and the First Schedule to, the Estate Duty Act, 1955, and sections *six* and *fourteen* of, and items 15, 17, 18 and 23 of the First Schedule to, the Stamp Duties Act, 1962.

*(Afrikaans text signed by the State President.)
(Assented to 18th June, 1965.)*

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

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 and section 3 of Act 77 of 1964.

1. Section *nine* of the Transfer Duty Act, 1949, is hereby amended—

(a) with effect from the tenth day of December, 1964, by the substitution for paragraph (b) of sub-section (1) of the following paragraph:

“(b) any divisional council, rural council, municipal council, town council, village council, town board, local board, village management board, health committee or other committee of a similar nature, or any district council or any local or general council established or deemed to have been established under the Bantu Affairs Act, 1959 (Act No. 55 of 1959), or the Evaton Bantu Township Liaison Committee as constituted under Part II of Schedule B to Proclamation No. 54 of 1959, or the Far West Rand Dolomitic Water Association formed on the sixth day of July, 1964;”;

(b) with effect from the sixteenth day of March, 1964, by the substitution for sub-section (8) of the following sub-section:

“(8) No duty shall be payable in respect of the acquisition on or after the sixteenth day of March, 1964, of property by any company (hereinafter referred to as the subsidiary company) which is registered, managed and controlled in the Republic from 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—

(a) that at the time of such acquisition 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

(b) that the subsidiary company has under an arrangement with the foreign company acquired from the foreign company all the assets, including the said property, relating to any industrial or commercial or other business undertaking of the foreign company in the Republic.”; and

- (c) with effect from the first day of January, 1964, by the addition of the following sub-section:

“(9) If any property has by expropriation or compulsory sale under any law been acquired by the State (including the railway administration and a provincial administration) or any divisional council, rural council, municipal council, town council, village council, town board, local board, village management board, health committee or other committee of a similar nature, or any district council or any local or general council established or deemed to have been established under the Bantu Affairs Act, 1959 (Act No. 55 of 1959), or any board, body or institution of a public character established by law, and such property is, upon the cancellation or variation on or after the first day of January, 1964, of such expropriation or sale, re-acquired by the person from whom such property was expropriated or by whom such property was sold under such sale, no duty shall be payable in respect of such re-acquisition.”.

Amendment of section 3 of Act 45 of 1955, as amended by section 2 of Act 65 of 1960 and section 8 of Act 77 of 1964.

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

- (a) by the substitution in paragraph (a) of sub-section (3) for the word “Union” of the word “domestic”; and
(b) by the insertion after the said paragraph of the following paragraph:

“(a)*bis* so much of any benefit which is due and payable by any fund 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 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;”.

- (2) The amendment effected by paragraph (b) of sub-section (1) shall apply in respect of the estate of any person who dies or died on or after the twenty-fourth day of March, 1965.

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, section 9 of Act 71 of 1961 and section 9 of Act 77 of 1964.

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

- (a) by the substitution in the proviso to paragraph (h) for the words “five hundred pounds” of the words “one thousand rand”;
(b) by the substitution for paragraph (k) of the following paragraph:

“(k) so much of the aggregate of the amounts which are deemed to be property of the deceased under paragraphs (a) and (a)*bis* of sub-section (3) of section *three* as does not exceed fifteen thousand rand;” and

- (c) by the substitution for paragraph (l) of the following paragraph:

“(l) so much of the aggregate amount of the value or the proceeds—

- (i) of any local registered stock issued in terms of paragraph (a) of sub-section (1) of section *five* of the General Loans Act, 1961 (Act No. 16 of 1961), or any similar provision of any previous Act of Parliament;
(ii) of any local bonds (excluding bonds the interest on which is exempt from income tax in terms of section *ten* of the Income Tax Act, 1962 (Act No. 58 of 1962)) issued in the Republic in terms of paragraph (d) of sub-section (1) of section *five* of the General Loans Act, 1961, and of any local debentures issued in the Republic in terms of that paragraph; and
(iii) of any debentures issued by the Land and Agricultural Bank of South Africa.

included as property of the deceased, as does not exceed the difference between the sum of fifteen thousand rand and the amount allowed under paragraph (k);”.

(2) The amendment effected by paragraph (b) of sub-section (1) shall apply in respect of the estate of any person who dies or died on or after the twenty-fourth day of March, 1965, and the amendment effected by paragraph (c) of that sub-section shall apply in respect of the estate of any person who dies or died on or after the first day of February, 1965.

Amendment of section 5 of Act 45 of 1955, as amended by section 3 of Act 59 of 1957, section 4 of Act 65 of 1960, section 10 of Act 71 of 1961 and section 10 of Act 77 of 1964.

4. (1) Section *five* of the Estate Duty Act, 1955, is hereby amended by the insertion after paragraph (d) of sub-section (1) of the following paragraph:

“(d)*bis* in the case of any annuity to which the provisions of paragraph (a) or (a)*bis* of sub-section (3) of section *three* apply, an amount equal to the value of the annuity capitalised at six per cent over the expectation of life of the person to whom the annuity accrues, or if the annuity is payable for a lesser period than the life of such person, over such lesser period;”.

(2) The amendment effected by sub-section (1) shall apply in respect of the estate of any person who dies or died on or after the twenty-fourth day of March, 1965.

Amendment of section 8*bis* of Act 45 of 1955, as inserted by section 13 of Act 77 of 1962.

5. Section *eight bis* of the Estate Duty Act, 1955, is hereby amended by the substitution for paragraph (b) of sub-section (3) of the following paragraph:

“(b) in carrying out any such search open or cause to be opened or removed and opened, any article in which he suspects any moneys, books, records, accounts or documents to be contained;”.

Amendment of section 23 of Act 45 of 1955.

6. Section *twenty-three* of the Estate Duty Act, 1955, is hereby amended by the substitution for the word “Union” of the word “domestic”.

Amendment of section 28 of Act 45 of 1955, as amended by section 17 of Act 77 of 1962.

7. Section *twenty-eight* of the principal Act is hereby amended—

(a) by the substitution in sub-section (1) for the words “five hundred pounds” of the words “one thousand rand”; and

(b) by the substitution in sub-section (2) for the words “fifty pounds” of the words “one hundred rand”.

Substitution of 1st Schedule to Act 45 of 1955, as amended by section 6 of Act 59 of 1957, section 12 of Act 71 of 1961 and section 14 of Act 77 of 1964.

8. The following Schedule is hereby substituted for the First Schedule to the Estate Duty Act, 1955:

“First Schedule.

RATES OF ESTATE DUTY.

Dutiable Amount of Estate.	Rate of Duty.
Where the dutiable amount— does not exceed R12,000	1 per cent. on the dutiable amount;
exceeds R12,000, but does not exceed R14,000	R120, plus 2 per cent. on the amount by which the dutiable amount exceeds R12,000;
„ R14,000, „ „ R16,000	R160, plus 3 per cent. on the amount by which the dutiable amount exceeds R14,000;
„ R16,000, „ „ R18,000	R220, plus 4 per cent. on the amount by which the dutiable amount exceeds R16,000;

Dutiable Amount of Estate.	Rate of Duty.
Where the dutiable amount— exceeds R18,000, but does not exceed R20,000	R300, plus 5 per cent. on the amount by which the dutiable amount exceeds R18,000;
" R20,000, " " R22,000	R400, plus 6 per cent. on the amount by which the dutiable amount exceeds R20,000;
" R22,000, " " R24,000	R520, plus 7 per cent. on the amount by which the dutiable amount exceeds R22,000;
" R24,000, " " R26,000	R660, plus 8 per cent. on the amount by which the dutiable amount exceeds R24,000;
" R26,000, " " R28,000	R820, plus 9 per cent. on the amount by which the dutiable amount exceeds R26,000;
" R28,000, " " R30,000	R1,000, plus 10 per cent. on the amount by which the dutiable amount exceeds R28,000;
" R30,000, " " R32,000	R1,200, plus 11 per cent. on the amount by which the dutiable amount exceeds R30,000;
" R32,000, " " R34,000	R1,420, plus 12 per cent. on the amount by which the dutiable amount exceeds R32,000;
" R34,000, " " R36,000	R1,660, plus 13 per cent. on the amount by which the dutiable amount exceeds R34,000;
" R36,000, " " R38,000	R1,920, plus 14 per cent. on the amount by which the dutiable amount exceeds R36,000;
" R38,000, " " R40,000	R2,200, plus 15 per cent. on the amount by which the dutiable amount exceeds R38,000;
" R40,000, " " R44,000	R2,500, plus 16 per cent. on the amount by which the dutiable amount exceeds R40,000;
" R44,000, " " R48,000	R3,140, plus 17 per cent. on the amount by which the dutiable amount exceeds R44,000;
" R48,000, " " R52,000	R3,820, plus 18 per cent. on the amount by which the dutiable amount exceeds R48,000;
" R52,000, " " R56,000	R4,540, plus 19 per cent. on the amount by which the dutiable amount exceeds R52,000;
" R56,000, " " R60,000	R5,300, plus 20 per cent. on the amount by which the dutiable amount exceeds R56,000;
" R60,000, " " R70,000	R6,100, plus 21 per cent. on the amount by which the dutiable amount exceeds R60,000;
" R70,000, " " R80,000	R8,200, plus 22 per cent. on the amount by which the dutiable amount exceeds R70,000;
" R80,000, " " R90,000	R10,400, plus 23 per cent. on the amount by which the dutiable amount exceeds R80,000;

Dutiable Amount of Estate:	Rate of Duty.
Where the dutiable amount— exceeds R90,000, but does not exceed R100,000	R12,700, plus 24 per cent. on the amount by which the dutiable amount exceeds R90,000;
„ R100,000	R15,100, plus 25 per cent. on the amount by which the dutiable amount exceeds R100,000:

Provided that the duty calculated in accordance with this table shall be subject to a rebate of an amount equal to a duty so calculated upon a dutiable amount equal to the aggregate of—

- (i) an amount of twenty thousand rand; and
- (ii) an amount of twelve thousand five hundred rand in respect of every child of the deceased who survives him; and
- (iii) an amount of twelve thousand five hundred rand in respect of every child of the deceased who predeceased him and who left issue surviving the deceased or a spouse surviving the deceased who had not remarried on or before the date of death of the deceased; and
- (iv) an amount of twenty thousand rand in any case in which the deceased is survived by his spouse:

Provided further that where duty becomes payable upon the value of any movable or immovable property or on a value determined by reference to the value of any movable or immovable property and duty has, upon the death of any person (hereinafter referred to as the first-dying person), who died within five years prior to the death of the deceased, become payable upon the value of that movable or immovable property or upon a value determined by reference to the value of that movable or immovable property (or any movable or immovable property for which the Secretary is satisfied that that movable or immovable property has been substituted), the duty attributable to the value of that movable or immovable property or, as the case may be, the value determined by reference to the value of that movable or immovable property, but not exceeding (in either case) an amount equal to the value on which duty has become payable on the death of the first-dying person shall be reduced by a percentage according to the following scale—

if the deceased dies within one year of the death of the first-dying person ..	100 per cent
if the deceased dies more than one year, but not more than two years after the death of the first-dying person	80 per cent
if the deceased dies more than two years, but not more than three years after the death of the first-dying person	60 per cent
if the deceased dies more than three years, but not more than four years after the death of the first-dying person	40 per cent
if the deceased dies more than four years, but not more than five years after the death of the first-dying person	20 per cent

subject to a maximum reduction equal to so much of the duty previously payable upon the death of the first-dying person as is attributable to the value of that movable or immovable property or, as the case may be, to an amount equal to the value determined by reference to the value of that movable or immovable property, and as is proved to the satisfaction of the Secretary to have been borne by the deceased.”

Amendment of
section 6 of
Act 59 of 1962.

9. Section six of the Stamp Duties Act, 1962, is hereby amended by the substitution for proviso (e) to sub-section (1) of the following proviso:

“(e) in respect of cheques issued or receipts given by a person or class of persons or for a purpose or in circumstances prescribed by the Minister by notice in the *Gazette*, and subject to conditions so prescribed,

payment of duty shall not be required to be denoted by means of stamps affixed to such cheques or receipts, as the case may be, but may be acknowledged by means of the issue by the Secretary of a special receipt, and any cheque so issued or any receipt so given in respect of which arrangements satisfactory to the Secretary have been made for the payment of the duty due thereon and which bears on its face the words 'duty paid' shall for the purposes of this Act be deemed to be duly stamped."

Amendment of section 14 of Act 59 of 1962, as amended by section 21 of Act 77 of 1964.

10. The following section is hereby substituted for section *ourteen* of the Stamp Duties Act, 1962:

"Market-able Securities.

14. (1) For the purposes of any duty payable in respect of the registration of transfer of any marketable security—

- (a) a deed or declaration setting forth the transaction and full and true particulars of the consideration passing shall be made between and signed and dated with the true date of each signature by the parties concerned or their respective agents; or
- (b) if the marketable security may in terms of the Securities' Transfer Act, 1965 (Act No. 69 of 1965), be transferred by means of a securities transfer form as defined in section *one* of that Act or by means of a securities transfer form and a broker's transfer form as defined in that section, such form or forms may, in the appropriate circumstances contemplated in section *two* of that Act, be completed in lieu of such deed or declaration,

and such deed or declaration or such securities transfer form or, if a broker's transfer form is used, such broker's transfer form, shall be stamped for the amount of duty payable, and if in any case there is no consideration passing, the market value computed according to the closing middle price on the date of the transaction shall be set forth and the instrument shall be stamped accordingly, subject to the provisions of sub-section (7) of section *seven*.

(2) Where any instrument whereby any marketable security is transferable in terms of any law of the United Kingdom, is completed in that country in accordance with such law, such instrument shall, if it discloses sufficient information for the assessment of duty, be deemed to be a deed or declaration referred to in sub-section (1), and if the marketable security is transferred by means of a broker's transfer form as set out in Schedule 2 to the Stock Transfer Act, 1963, of the United Kingdom, the selling broker's signature on such form shall for the purposes of this section be deemed to be the signature of the transferor.

(3) (a) No transfer of a marketable security liable to duty shall be made or permitted by any company or corporate body in its register (whether the register be kept within or outside the Republic) or by any person responsible for the registration of the transfer, unless there is lodged with such body or company a duly stamped deed, declaration, securities transfer form or broker's transfer form as required by sub-section (1).

(b) Any such deed, declaration or form shall at all reasonable times be open for inspection by any person acting under the authority of the Secretary who may, if the deed, declaration or form has been executed outside the Republic, require any officer of the company or corporate body who is within the Republic to produce within a reasonable time, not being more than three months, the deed, declaration or form for the purposes of any such inspection.

(c) Nothing in sub-section (1) or in this sub-section relating to a deed, declaration or form shall be construed as applying to the transfer of a marketable security available to or in favour of bearer.

(4) (a) The company, corporate body or local authority by which any marketable security is issued shall be liable to stamp the same, but shall be entitled to refuse or withhold the issue of the security until the duty has been received by it from the allottee or person entitled to the security.

(b) If any company, corporate body or local authority or any officer thereof makes default in complying with the requirements of this section it shall, in addition to being liable for the duty, incur a penalty not exceeding one hundred rand.

(5) Any company or corporate body which undertakes to maintain a supply of revenue stamps of the Republic for sale at any of its branch registries or offices outside the Republic for the purpose of facilitating the payment of duty under this section in respect of transactions effected outside the Republic, may be allowed a discount not exceeding five per cent on the value of revenue stamps purchased for the purpose."

Amendment of item 15 of 1st Schedule to Act 59 of 1962.

11. The following item is hereby substituted for Item 15 of the First Schedule to the Stamp Duties Act, 1962, with effect from the seventeenth day of May, 1965:

"15. <i>Customs and Excise Documents:</i> On each original bill or document of entry	R	c
or document in lieu thereof	0	05

Exemptions:

(a) Any bill or document of entry for coastwise removal of released goods between places in the Republic or removal through contiguous territories of such goods to any place in the Republic.

(b) Any bill or document of entry relating to any goods imported by post which are not by law required to be cleared at a customs and excise office.

(c) Any provisional bill or document of entry covered later by a bill or document of entry which is not exempted under this item."

Amendment of Item 17 of 1st Schedule to Act 59 of 1962.

12. Item 17 of the First Schedule to the Stamp Duties Act, 1962, is hereby amended with effect from the twenty-fifth day of March, 1965, by the substitution for paragraph (1) of the following paragraph:

"(1) If the lease, agreement or instrument is—

(a) by the month or for any definite period of less than one year; or

(b) for an indefinite period but terminable by two months' notice or less than two months' notice:

where the rent does not exceed the rate of R5 per month	0	05
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where the rent exceeds the rate of R5 per month but does not exceed the rate of R10 per month	0	10
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where the rent exceeds the rate of R10 per month but does not exceed the rate of R20 per month	0	25
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where the rent exceeds the rate of R20 per month but does not exceed the rate of R30 per month	0	50
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where the rent exceeds the rate of R30 per month but does not exceed the rate of R40 per month	1	00
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where the rent exceeds the rate of R40 per month but does not exceed the rate of R50 per month	1	50
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where the rent exceeds the rate of R50 per month	2	00".
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Amendment of
Item 18 of 1st
Schedule to
Act 59 of 1962,
as amended by
section 22 of
Act 77 of 1964.

13. Item 18 of the First Schedule to the Stamp Duties Act, 1962, is hereby amended—

- (a) by the substitution for paragraph (3) of the following paragraph:

“(3) In respect of the registration of the transfer of any such marketable security:

- (a) if transfer is registered before the expiry of a period of twelve months from the date of signature by the transferor of the deed, declaration or securities transfer form referred to in sub-section (1) of section *fourteen* of the Act: for every R200 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
- (b) if transfer is registered after the expiry of the said period: for each period of twelve months or part thereof contained in the period from such date of signature to the date of registration of transfer, an amount equivalent to three times the duty which would have been payable in terms of paragraph (a) if transfer had been registered before the expiry of the said period: Provided that in any case in which the deed or declaration was signed by the transferor prior to the first day of April, 1946, or does not disclose the date of signature by the transferor, the date of signature by the transferor shall for purposes of the determination of the duty chargeable under this paragraph, be deemed to be the first day of April, 1946, or the date of issue of the relative marketable security, whichever is the later: Provided further that if the marketable security the transfer of which is to be registered, was at the time of its sale or disposal registered in the name of the transferor and held by a bank in trust or for safekeeping on behalf of the transferor, or as a pledge given as security by the transferor, or for the purpose of sale on behalf of or on account of the transferor, and the relevant deed, declaration or securities transfer form was signed by the transferor or prior to the actual date of sale or disposal of that marketable security, or does not disclose the date of signature by the transferor, the bank concerned may endorse upon the deed, declaration or securities transfer form or relevant brokers transfer form referred to in the said section *fourteen*, in the form prescribed by the Secretary, the fact that the marketable security was so held, as well as the actual date of the sale or disposal thereof, and thereupon the date of sale or disposal as so endorsed shall, for purposes of the determination of the duty chargeable under this paragraph, be deemed to be the date of signature by the transferor.

For the purpose of this paragraph ‘bank’ means any commercial bank authorized to carry on business under the Banks Act, 1965, (Act No. 23 of 1965), any building society registered under the Building Societies Act, 1965

(Act No. 24 of 1965), any person lawfully carrying on the occupation of a stock and share broker, or a trustee for holders of unit or fixed trust certificates referred to in sub-item (2) of this item, and includes the State and any person approved by the Secretary in writing.”; and

- (b) with effect from the twenty-fifth day of March, 1965, by the substitution for the Exemptions at the end of the said Item of the following Exemptions:

“Exemptions:

- (a) The issue or registration of transfer of the shares of any company incorporated in the territory of South-West Africa.
- (b) Any registration of transfer of the scrip, certificate, warrant or other like instrument held by a trust created by will or notarial deed, if such transfer is necessitated by a change of executors, administrators or trustees and no consideration is given in respect thereof.
- (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 paragraph (s) of sub-section (1) of section *ten* of the Income Tax Act, 1962 (Act No. 58 of 1962).
- (d) The issue or registration of transfer of any negotiable certificate in respect of any deposit made with any commercial bank as defined in section *one* of the Banks Act, 1965 (Act No. 23 of 1965).
- (e) Any registration of transfer of any marketable security issued by any company or corporate body, if such registration is effected in any branch register kept by such company or corporate body outside the Republic, and the relevant deed, declaration or securities transfer form referred to in sub-section (1) of section *fourteen* of the Act was signed by the transferor outside the Republic not earlier than the twenty-fifth day of March, 1965.”.

Amendment of Item 23 of 1st Schedule to Act 59 of 1962.

14. Item 23 of the First Schedule to the Stamp Duties Act, 1962, is hereby amended with effect from the twenty-fifth day of March, 1965—

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

“(1) If given before the first day of July, 1965, for or upon the payment of a sum of money amounting to R10 or more (other than any receipt given by any legally established building society in respect of the payment of interest on any money borrowed from such society or the repayment of any such money) 0 01”;

- (b) by the insertion after the said paragraph of the following new paragraph:

“(1)*bis* If given on or after the first day of July, 1965, for or upon the payment of a sum of money amounting to R10 or more (other than any receipt given by any legally established building society in respect of the payment of interest on any money borrowed from such society or the repayment of any such money):

(a) if such sum amounts to R10 or more but less than R25 0 01

(b) if such sum amounts to R25 or more 0 02”;

and

- (c) by the addition at the end of the said Item of the following further Exemptions:

“(1) Receipt given by any Bantu person in respect of the payment to him of money held in trust for him by the Secretary for Bantu Administration and Development.

- (m) Receipt given for or upon the payment of any pension.
- (n) Receipt given by any employee to his employer for or upon the payment of any salary or wages (including any bonus or commission) due in respect of services rendered by such employee during any period of employment.”.

Short title.

15. This Act shall be called the Revenue Laws Amendment Act, 1965.