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Head Office

South African Revenue Service

Enquiries
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Reference*
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Date
2013/09/26

Dear Sir/Madam

CONFIRMATION OF INCOME TAX EXEMPTION APPROVAL: VIVA FOUNDATION OF SOUTH AFRICA

The South African Revenue Service (SARS) reconfirms that the above mentioned association has been approved as a Public Benefit Organisation (PBO) under section 30(3) of the Income Tax Act No 58 of 1962 (the Act) with effect from 24 May 2007 (date of application). The PBO qualifies for exemption from income tax on its receipts and accruals other than receipts and accruals that do not qualify for exemption under section 10(1)(cN).

The following exemptions also apply and are limited to:

1. The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation are tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act with effect from 18 October 2007 (date of approval).
2. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
3. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.

In order to maintain your exempt status, the following conditions must be complied with:

1. When issuing a tax deductible receipt it must include the following information:
 - a) The reference number (the PBO number quoted on this letter).
 - b) The date of the receipt of the donation.
 - c) The name and address of the organisation issuing the receipt to which enquiries may be directed.
 - d) The name and address of the donor.
 - e) The amount or nature of the donation if not in cash.
 - f) Certification that the receipt is issued for the purpose of section 18A and that the donation will be used exclusively for the activities which are approved for section 18A purposes.
 - g) The receipt must be issued in the year when the donation is received by the organisation approved for purposes of section 18A.

2. No tax deductible receipts under section 18A may be issued for the religious, sports and funding activities.
3. Tax deductible receipts may only be issued for *bona fide* donations. Refer to Annexure A for more information in this regard. Please also note that receipts may only be issued for approved public benefit activities carried on in South Africa.
4. Tax deductible receipts may only be issued to donors in respect of *bona fide* donations to be utilised for Orphans and Vulnerable Children Care, Early Learning Centre, Skills Training Centre and other community development programmes.
5. Submit an annual Income Tax Return (IT12EI) by the due date via SARS e-Filing or manually. Your IT12EI can be obtained by
 - Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
 - Calling the SARS Contact Centre on 0800 00 SARS (7277)
 - Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
 - Requesting an IT12EI by visiting your local SARS branch.
6. The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of the annual income tax return.
7. SARS must be informed in writing within 21 days of any change to the founding document.
8. SARS must be informed in writing within 21 days of any change in registered particulars (e.g. Representative, change of name, address, trustee details, office bearers, etc.).

For further information or assistance, email the query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices.

Sincerely



Minee Hendricks
Head: Tax Exemption Unit

ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE

Annexure A: Information pertaining to S18A donations

What is considered a *bona fide* donation for S18A purposes?

A *bona fide* donation is a voluntary, gratuitous gift disposed of by the donor out of liberality or generosity, where the donee is enriched and the donor impoverished. There may be no *quid pro quo*, no reciprocal obligations and no personal benefit for the donor. If the donee gives any consideration at all it is not a donation. The donor may not impose conditions which could enable him or any connected person in relation to himself to derive some direct or indirect benefit from the application of the donation.

Examples of what does **NOT** constitute a *bona fide* donation for purposes of section 18A?

1. Donation of services rendered such as a professional person renders a skill free of charge.
2. An amount paid for attending a fundraising dinner, dance or charity golf day.
3. The amount paid for the successful bid of goods auctioned to raise funds by an organisation and Memorabilia, paintings, etc, donated to be auctioned to raise funds
4. Amounts paid for raffle or lottery tickets.
5. Amounts paid for school fees, entrance fees for school admittance or compulsory school levies.
6. Value of free rent, water and electricity provided by a lessor to the lessee which is an approved PBO.
7. Payments in respect of debt due