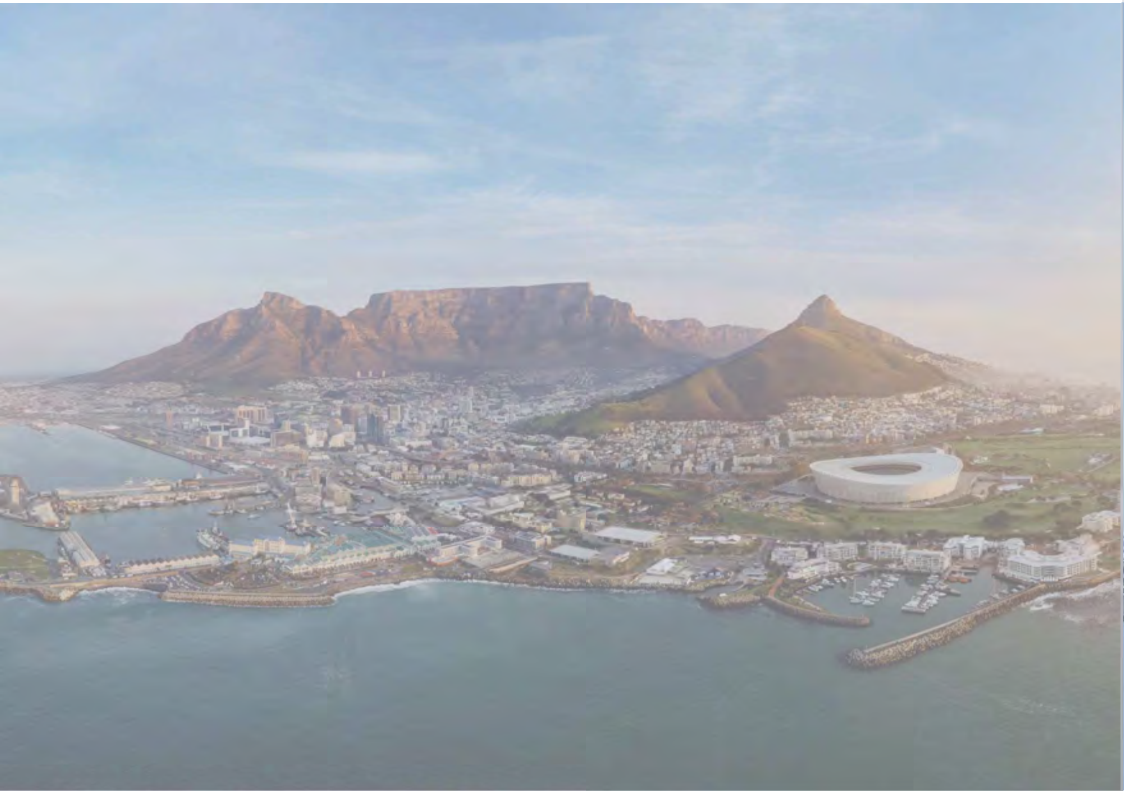
SOUTH AFRICAN CHAMBER OF COMMERCE SINGAPORE

Your Business Gateway to Africa & Asia



WELCOME TO THE SACHAMBER

The South African Chamber of Commerce Singapore was launched on 10 September 2019 by representatives of the South African business community in Singapore.

The objective of the Chamber is to promote trade, investment, finance and industry between South Africa and Southeast Asia.

BOARD OF DIRECTORS

Adriaan Niemann
Carrier Vendor Relationship Manager at Whispir

Carmel Samimi
Head of General Counsel at Kellanova

Michael Booth
Associate Partner at St James Place

Nigel Ritson
COO at Roubler

Antonio Scaramuzzino
Founder of Count On Me

Ebrahim Dadoo
Head of Sales and Trading at Anglo American

Premeshin Naidoo
Managing Director: Sector Head: TMT & Industrials at Absa Bank

Yudesh Soobrayan
Sales Director PALO IT

Careshma Ramroop
Head of Business Development at Jicara Media

Keridyn Heatlie
Executive Director

MEET THE SUBCOMMITTEES

Henri Van Der Westhuizen
Team Lead at Anglo American

Eugene Mercado
Director at UX Habitat

Dinesh Naidoo
Digital Operations Manager at Renoir Consulting

Steven Yates
CTO and Director Alumni Services

Rex Eng
Regional Director BIPO

Shiven Moodley
COO at 80eight

Michelle Knowles
Managing Director: Pan Africa Head of Trade and Working Capital Absa Group Ltd

Timothy Dickens
Chairman of SAChamber Korea

Simon Bernie
Vice President at Purview

Tom James
CEO & CIO TradeFlow Capital Management

Ian Edwards
Managing Director at 1.1618 International

Manu Goerge
Founder of Blue Sands Pte Ltd

Ian Jacobsberg
Director at Fluxmans Law

Ursula M'Crystal
Financial Crime Fighter

Mpho Rapulu
Previous Role at Liberty Life

MEET THE SUBCOMMITTEES

Tasvir Singh
VP Strategic Programmes and Incubation at De Beers

Anesan Naidoo
Head of Sustainability at Anglo American Marketing

Pradeepto Kumar Biswas
Founder of Plataforma Asia

ToonLee Ng
Founder of Venture Sense Pte Ltd

Rivesh Misra
Human Insights Director at Coca-Cola

Warren Briggs
Business Manager at Baggies Biltong

Misizwe Mtshali
CEO & Founder of South African Wine Cellar

Annette Heitmann
Founder of Message in a Bottle

Leigh Bennett
Sales Manager at J&D Burleigh

Charmaine Vather
Regional Director: Pharmaceutical Industry

Dr Suhina Singh
CEO of Jonda Health

Ruth Lockwood
Head of Strategic Sales at Santa Fe Relocation

Sujata Tiwari
Life Mentor and Author

Carolina Reddy
Chief Risk Officer at Dragonfly Financial Technologies

HE Charlotte Lobe

MEMBERS

- St James's Place
- MMSEZ
- absa
- DNA Diplomatic Network (Asia)
- Message in a Bottle
- Kellanova
- Plataforma Asia
- Olam
- MMH Muddy Murphy Holdings
- Fergus
- AngloAmerican
- Energy
- Knightsbridge House International School
- Crystal Partners
- Purview
- Abdul Latif Jameel
- acuity Data Solutions
- roubler.
- SHEIN

PARTNERS

- Wesgro – cape town & western cape tourism, trade & investment
- South Africa – Inspiring new ways
- South African High Commission in Singapore
- Enterprise Singapore
- Singapore Business Federation – Apex Business Chamber
- Ministry of Foreign Affairs Singapore
- the dti – Department: Trade and Industry, Republic of South Africa
- connect AFRICA
- SAISA
- GGDA – Gauteng Growth and Development Agency
- the dtic – Department: Trade, Industry and Competition, Republic of South Africa

THANK YOU

Deputy President HE Paul Matshasile


Minister Grace Naledi Mandisa Pandor

Quick Budget Update:

- The most significant change is the VAT increase:
    - 0.5% increase effective 1 May 2025
    - Additional 0.5% increase effective 1 April 2026
    - Expected to generate approximately R11 billion in revenue

- No increase in the individual tax threshold

- Major impact on non-residents planning to retire in South Africa

Treasury has proposed amendments to Section 10(1)(gC), which currently exempts foreign pensions from tax in South Africa if contributions were made while the individual was employed abroad.

In certain cases, this results in double non-taxation—where a Double Tax Agreement (DTA) grants South Africa sole taxing rights over the pension, but Section 10(1)(gC) then exempts it entirely, leading to a 0% tax rate.

This amendment is expected to take effect during the current legislative cycle.

- Negative impact on retirees

For non-residents who planned to retire in South Africa, this change means their foreign pension income may now be subject to taxation. This could significantly affect their retirement plans, reducing the funds available for their living expenses.

Mint Accounting and Tax Advisory

About Mint

Mint is a specialist tax and accounting firm with a strong focus on expat and non-resident tax matters.

We provide expert guidance to South Africans navigating tax migration, capital gains tax (CGT) calculations, SARS tax directives, and tax advice for offshore structuring.

Our mission is to simplify complex tax issues and help clients make informed financial decisions that align with their global mobility.

With over 13 years of experience, Mint has grown into a trusted firm, offering a client-centered approach that prioritises clarity, compliance, and strategic tax planning. We assist individuals and businesses in managing South African and international tax obligations, ensuring seamless cross-border tax solutions.

OUR EXPERTISE INCLUDES:

1. **EXPAT & NON-RESIDENT TAX**

   Assisting with tax migration, tax planning and structuring finances for optimal tax efficiency when relocating or investing abroad

2. **CAPITAL GAINS TAX & SARS TAX DIRECTIVES**

   Helping non-residents achieve 0% or reduced tax rates on property sales in South Africa. As well as exempting pensions & living annuities from tax in South Africa.

3. **ESTATE & SUCCESSION PLANNING**

   Ensuring global wealth planning is structured for beneficiaries across different tax jurisdictions.

4. **ACCOUNTING & COMPLIANCE**

   Providing high-quality accounting services to support individuals and businesses.

5. **INDIVIDUAL TAXES**

Trusted by South Africans worldwide

At Mint Accounting, we go beyond compliance—we partner with our clients to build tax-efficient strategies that support their financial goals

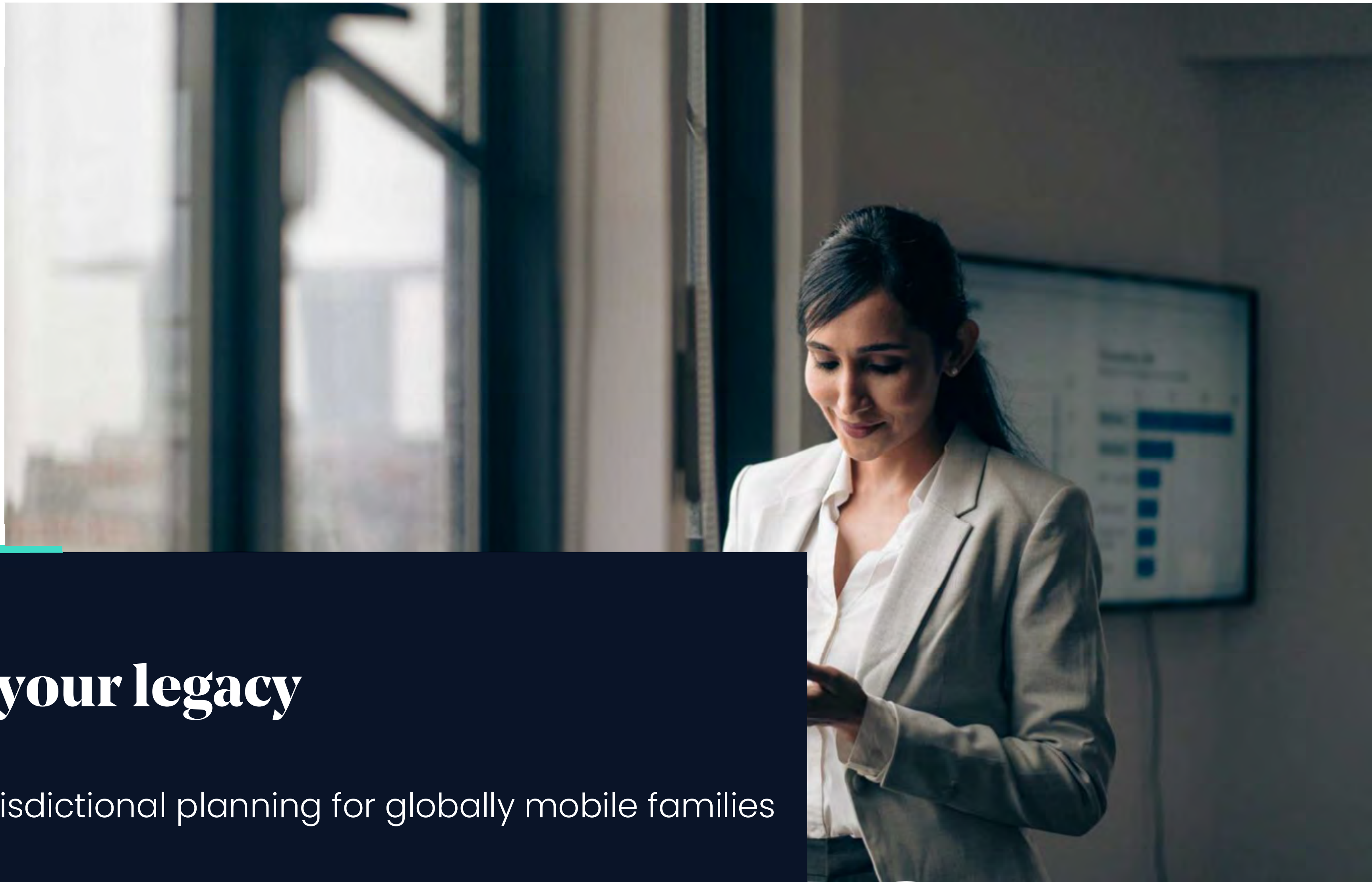
With a deep understanding of SARS regulations and international tax treaties, we help clients protect their wealth, minimise tax exposure, and stay compliant in an ever-changing global tax landscape.

PRESENTED BY

Marisca de Bruyn (TA)SA
Tax Advisor and Founder of Mint

She has helped countless South Africans navigate the complexities of tax migration and cross-border tax planning.

Beyond tax advisory, Marisca is passionate about education and empowerment and is known for making complex tax issues easy to understand, equipping clients and advisors with practical strategies to optimise their tax positions.



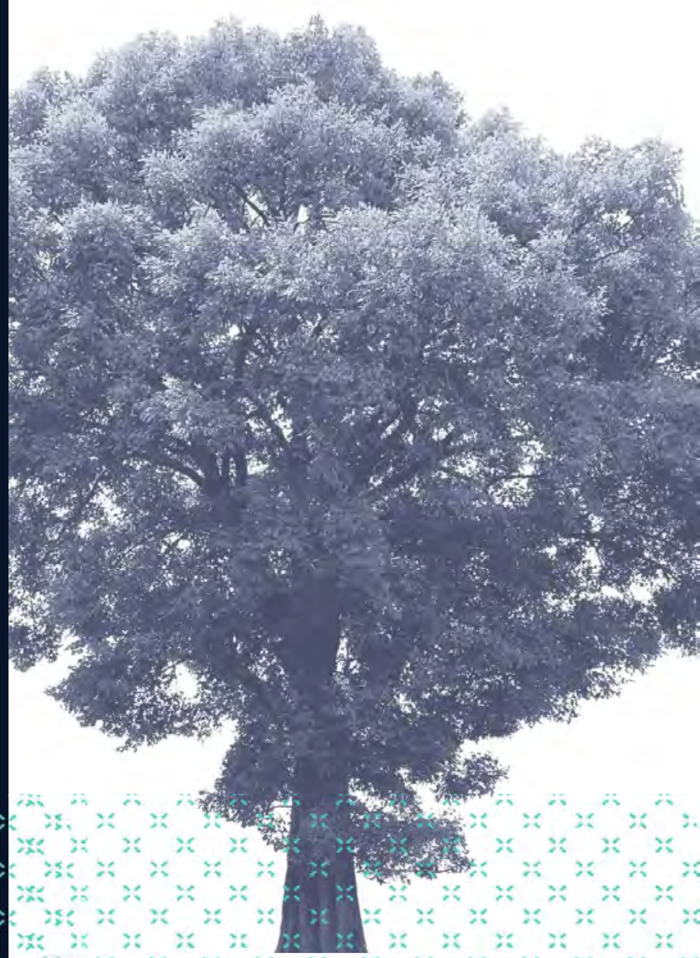
Building your legacy

Holistic multijurisdictional planning for globally mobile families

Who I am

A South African Certified Financial Planner (CFP) and General Tax Practitioner (GTP) with experience working with multijurisdictional estates and asset bases across South Africa, the UK, Australia, Singapore, Hong Kong, Mainland China, and Dubai.

My focus is on holistic financial planning and advisory aimed at securing legacies for multiple generations and while mitigating risk and generating sustainable returns.



Who we are

SJP

£190.2

Funds under management (bn)

£5.47

Market capitalisation (bn)

More than

1m+

Clients

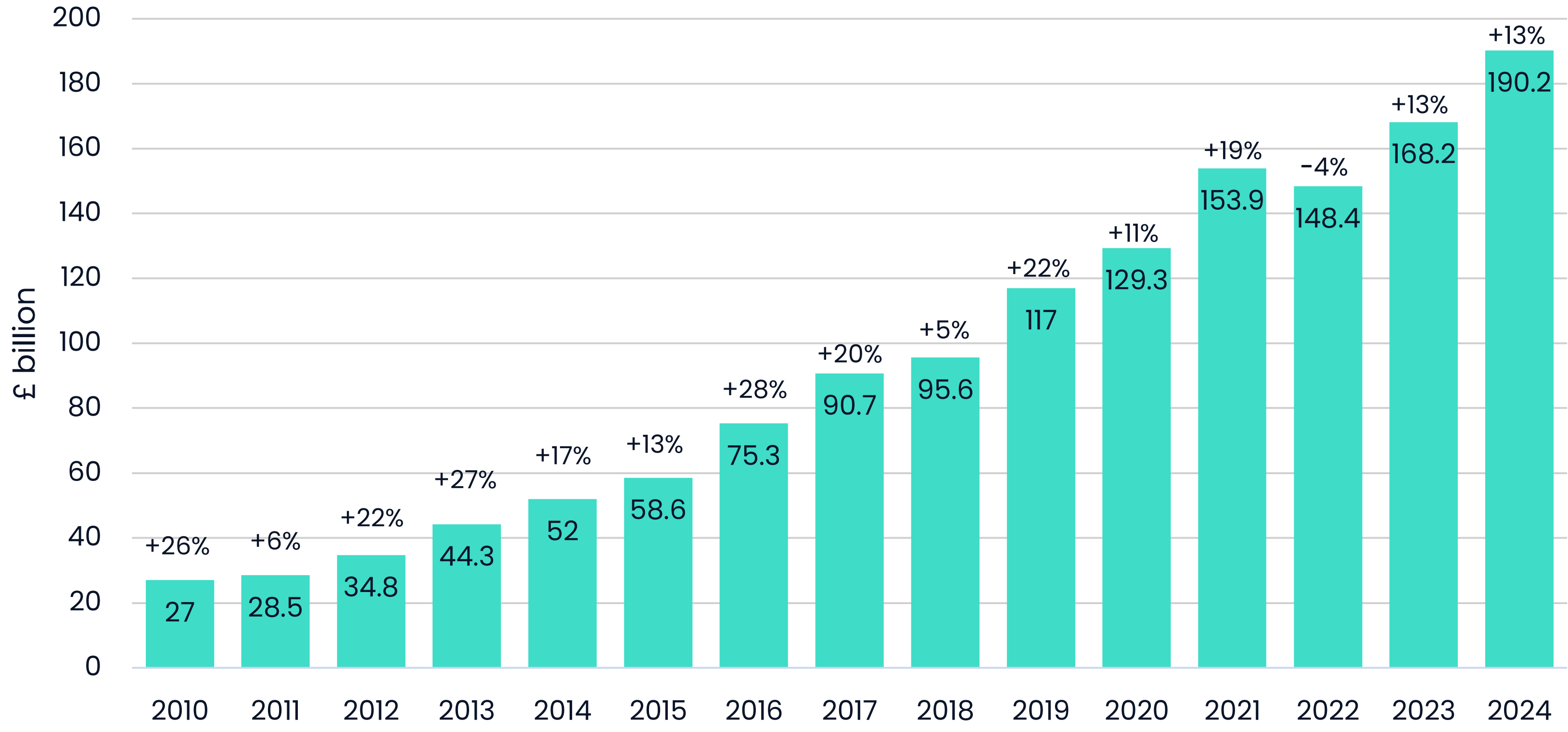
94.5%

Client retention rate

**Figures accurate as of 31 December 2024*

- A FTSE 100 company founded in 1991, we're part of award-winning St. James's Place.
- We provide highly personalised face-to-face advice to individuals, families, trustees and businesses.
- We offer services from investment management and tax planning to retirement planning and protection, underwritten with a guarantee.
- Our distinctive approach to investment management gives you direct access to top fund management teams across the globe.

A track record of success – growth in SJP Funds Under Management



This stable continuous growth in funds under our management demonstrates a track record of success and how we, together with your Partner, can constantly be by your side, working in partnership to create great financial outcomes.

Why work with us?

SJP

25 strategies exclusive to retail investors in Singapore

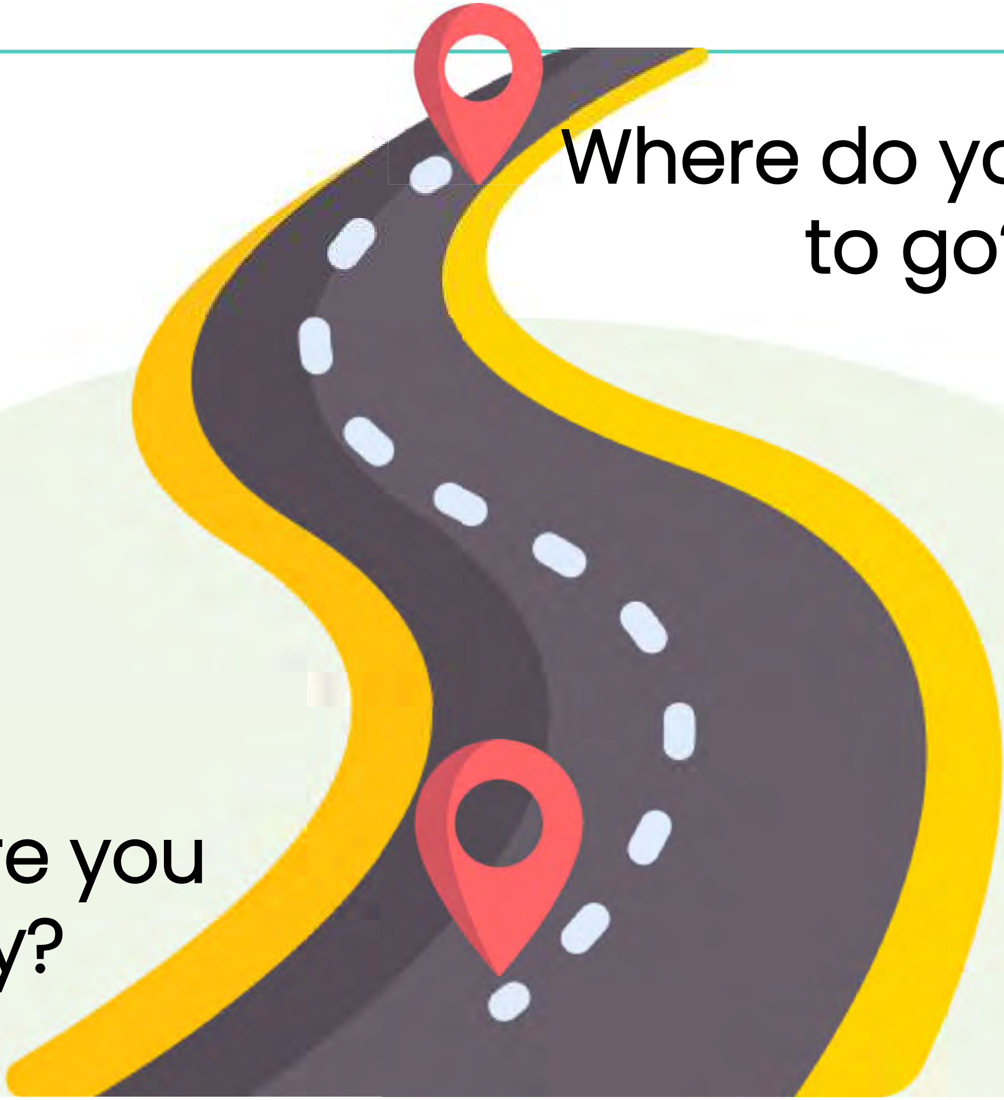
34
funds

38
fund houses

86
lead fund managers

Please note that not all funds are available in the countries in which we operate. Your Partner will be able to provide further information on those that are available.
The St. James's Place approach to investment management only applies to St. James's Place products.

How do you get there?



Where do you want to go?

Where are you today?

Summary & Consequences of Ceasing Residency

How to Cease Tax Residency

WE HAVE TWO TESTS TO APPLY FOR BREAKING TAX RESIDENCY:

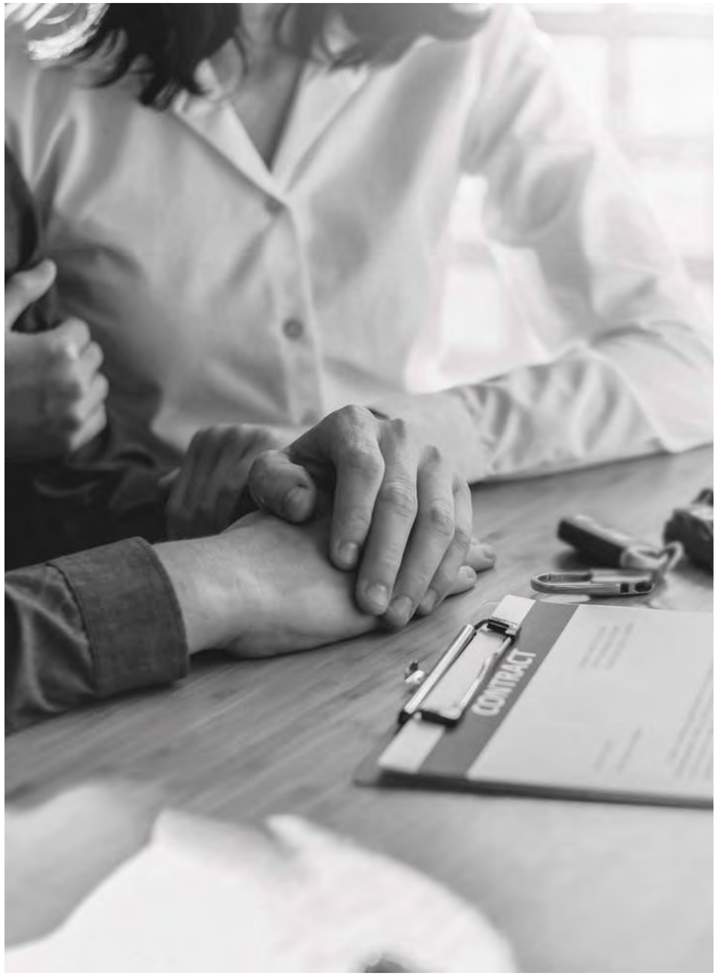
1 ORDINARILY RESIDENCE TEST

- This is not defined in the Income Tax Act but is described as the place you will return to after your wanderings.
- If you have no intention of returning to reside in SA in the future, you break ordinarily residence.
- The date of ceasing to be a tax resident of SA is the date you leave SA.

2 APPLYING THE DOUBLE TAX AGREEMENT RULES

- South Africa has entered into agreements with other countries to avoid double taxation.
- If we have a Double Tax Agreement (DTA) with another country, the Tax Treaty need to be applied to determine which country has taxing rights over the income of such resident.
- Each country has its own unique set of rules and requirements on when a person will become a tax resident and which country has jurisdiction to tax.
- The date of ceasing to be a tax resident of SA will be determined by applying the tax treaty rules.

Important note about the date: The effective date of ceasing residency is backdated to when the individual left South Africa or when the tax treaty was triggered, even if the Tax Migration process is completed later.



Consequences of Tax Migration and Ceasing Tax Residency:

EXIT TAX IS PAYABLE IN THE FORM OF CAPITAL GAINS TAX IN TERMS OF S9H OF THE INCOME TAX ACT

When a person ceases to be a tax resident, a deemed disposal takes place by which they need to declare their worldwide assets to SARS and pay Capital Gains Tax (CGT).

Certain assets are excluded from CGT calculation on ceasing to be a resident:

- Immovable property situated in South Africa – CGT will attract when the property is sold in the future
- Interest in a Discretionary Trust with no vesting rights
- Retirement Annuities

All other assets are deemed to be disposed of at market value the day before ceasing to be a resident.

CASE STUDY 02:

Taxation of a South African Trust with Non-Resident Donors and Non-Resident Beneficiaries

BACKGROUND

In this case study we have a family who spent years carefully building a trust to secure their family's wealth for future generations. They ensured everything was structured for asset protection, succession planning, and long-term financial security. But what if the trust designed to protect their wealth suddenly became one of the most heavily taxed structures?

This is the case for the Horizon Trust. Originally set up for a South African family, the trust's tax treatment drastically changed when the donor and all beneficiaries emigrated. The result? A 45% tax trap that turned a strategic wealth preservation vehicle into a tax liability. Let's explore why this happened—and what can be done differently.

TAXATION OF TRUST INCOME

South African trust taxation follows a flow-through principle which states that trust income is taxed in the following order:

1. **THE DONOR**
   If the trust holds assets that were donated, settled, or gratuitously disposed of, then the donor is taxed first under the attribution rules.

2. **THE BENEFICIARY**
   If income is vested in or distributed to a beneficiary, that income is taxed in the hands of the beneficiary (unless the attribution rules overrides it).

3. **THE TRUST**
   If neither the donor nor the beneficiary is taxable, the trust itself is taxed at 45%.

APPLICATION OF THE ATTRIBUTION RULES – TAXATION IN THE HANDS OF THE RESIDENT DONOR WILL APPLY WHEN:

- A donor donates, settles, or disposes of an income-generating asset to a South African trust.
- The trust earns income from these assets, and the income is distributed to a non-resident beneficiary.
- Under S7(8), instead of the beneficiary being taxed, SARS deems the resident donor liable for tax.

KEY ISSUE FOR THE HORIZON TRUST:

Since the donor is now a non-resident, he can't be taxed either.
THIS CREATES A 45% TAX TRAP.

→ Since neither the donor nor the beneficiary can be taxed due to S7(8) attribution rules, The Horizon Trust is taxed directly at 45% on all profits.

→ This creates a major tax burden, as trusts were originally structured for beneficiaries to be taxed at lower individual rates.

EXAMPLE:

- The Horizon Trust receives R1 000 000 in profit from its income bearing assets.
- The donor is a non-resident, therefore S7(8) applies, but SARS cannot tax the donor.
- The beneficiaries are also non-residents, so they cannot be taxed.
- The trust faces a 45% tax rate, paying R450,000—far higher than the 26% it would have been if split among four beneficiaries.

KEY CONSIDERATIONS AND NEXT STEPS

ASSESS TRUST STRUCTURE & FUTURE PLANS

- If all beneficiaries are non-residents, reassess whether the trust remains suitable for wealth preservation.
- Selling or restructuring may trigger CGT now, but protects future growth from the 45% tax rate.

NB: Even better, vest the assets in the beneficiaries before they emigrate which will attract exit tax at 18% vs 36% in the trust.

CONSIDER ALTERNATIVE STRUCTURES

- For permanent emigration, consider offshore investments or a trust in a tax-efficient jurisdiction.
- The CGT cost now can be recovered over time with better tax planning.

PLAN FOR THE TRUST'S FUTURE

- If planning distributions, ensure SA tax implications are clear and structured efficiently.
- A tax opinion or restructuring plan may be needed for optimal tax efficiency.

Mint can assist with tax planning and opinions.

CONCLUSION & KEY TAKEAWAY

1. A South African trust with non-resident donors and non-resident beneficiaries faces significant tax risk making it one of the least tax-efficient structures in such a scenario.

2. The Horizon Trust, once a tax-efficient estate planning tool, became a financial burden when the family's tax strategy failed to evolve with their emigration.

3. With proper planning, assets could have been vested before emigration, reducing tax from 36% to 18%, or restructured offshore to avoid the 45% tax trap.

4. The lesson? Trusts are not "set and forget" structures. As families move globally, their tax planning must adapt. Failing to reassess trust structures can cost millions in unnecessary tax.

CASE STUDY 03:

The Impact of Unresolved Tax Residency on Inherited Funds

BACKGROUND

Mrs. Legacy had done everything right—built wealth locally and abroad, planned her estate, and ensured her beneficiaries were taken care of. But one overlooked detail nearly locked her legacy in South Africa indefinitely. Her beneficiaries, expecting a smooth inheritance, instead could have faced months or even years of red tape, unable to access what is rightfully theirs. Let's explore how she turned a potential financial disaster into a well-planned estate solution.

1. **BENEFICIARY 1:**
A South African who emigrated 20 years ago but never formally ceased tax residency with SARS. She lost her SA ID and has no recollection of her ID or SA tax number which means we can't identify her with SARS making it impossible to complete the tax migration process.

2. **BENEFICIARY 2:**
Also emigrated 20 years ago but refuses to inform SARS of his emigration due to concerns about triggering issues in the United States.

3. **BENEFICIARY 3:**
A fully non-resident niece who was never a South African tax resident and never had a South African tax number.

KEY ISSUE:

South African exchange control laws require that anyone who has been registered for tax in SA must formally cease tax residency and obtain an AIT PIN (tax clearance for international transfers) before they can send their inheritance abroad.

Since Beneficiary 1 cannot cease tax residency (due to lack of an SA ID) and Beneficiary 2 refuses to do so, their inheritance would be stuck in South Africa, unable to be transferred offshore.

SOUTH AFRICAN EXCHANGE CONTROL LAW REQUIREMENTS FOR ANYONE WHO HAS NEVER BEEN REGISTERED FOR TAX IN SA:

1. A non-resident who never had an SA tax number can freely transfer their inheritance abroad (if under R10 million).
2. If the inheritance exceeds R10 million, a manual letter of compliance can be obtained from SARS, without requiring a tax residency cessation process.

Therefore, only Beneficiary 3, who was never a South African tax resident, would be able to freely receive and transfer their inheritance abroad.

STRATEGIC ESTATE PLANNING SOLUTION

To ensure smooth inheritance transfers, the individual restructured her will as follows:

- Mrs Legacy's South African assets were left to her niece (Beneficiary 3), since she is the only one who can send their inheritance abroad.
- Foreign assets were left to the two non-resident beneficiaries avoiding any entanglement with SARS and South African exchange control.

KEY TAKEAWAYS

UNRESOLVED TAX RESIDENCY BLOCKS INHERITANCES

- Non-residents who never formally ceased SA tax residency cannot freely transfer inherited SA funds offshore.
- SARS requires a tax migration process before funds can be externalised.

WITHOUT AN SA TAX NUMBER, INHERITANCE CAN MOVE FREELY

- Can freely transfer up to R10 million abroad without a tax clearance.
- Above R10 million, a manual letter of compliance is required, but tax emigration is not necessary.

ESTATE PLANNING SHOULD ACCOUNT FOR TAX RESIDENCY ISSUES

- Proactive planning can prevent inheritance delays and tax residency complications.

If this was left until after Mrs Legacy's death no planning could be done and her funds would be stuck in SA.

CONCLUSION

By restructuring Mrs Legacy's will, she ensured that her non-resident beneficiaries with SA tax issues would not get stuck in SARS & SARB red tape, while her niece, who had no SA tax residency history, could easily inherit and move funds offshore.

The lesson? Estate planning isn't just about a will; it's about avoiding tax residency traps before it's too late."

Examples of Clients We Have Helped

Tax Efficient Donations:

A client approached us, explaining that his mother wanted to donate her endowment policy and unit trust to him. He is a non-resident of South Africa and a tax resident of Singapore, while his mother is a tax resident of South Africa.

The assets in question were as follows:

- Endowment policy: R400,000
- Unit trust: R200,000
- Total value: R600,000

Tax-efficient Donations:

As a result, his mother would have been liable for R100,000 in donations tax, calculated as follows:

- Total donation: R600,000
- Less annual exemption: R100,000
- Taxable donation: R500,000
- Donations tax (20%): R100,000 payable to SARS

To avoid incurring Donations Tax, we advised a more tax-efficient approach would be for his mother could lend him R600,000.

Each year, she could then forgive (donate) R100,000 of the loan, which would fall within the annual exemption and attract no donations tax. This way, the entire loan would be written off within six years without any tax liability

Foreign income taxed as if he was a tax resident:

Due to incorrect tax treatment of his foreign income, our client owed SARS R1.9m and R90,000 interest.

Balance of Account after this Assessment

Description	Amount
Amount payable by you to SARS	1997866.99

Compliance Information

Unprocessed payments	0.00	Provisional taxpayer	Y
Selected for audit or verification	N		

Please Note: Your assessment is not currently selected for Audit/Verification. Should this change SARS will notify you as such via an official Verification or Audit notification.

Assessment Summary Information

	Previous Assessment	Current Assessment	Account Adjustments
Income	4518806.00	4090798.00	
Deductions allowed	-1273692.00	-23692.00	
Taxable income / Assessed Loss	3245114.00	4067106.00	
Calculated Tax Liability:			
Assessed tax after rebates (Tax calculated, Including Foreign Tax Credits discharged / refunded & additional tax / penalties)	0.00	1900285.45	
Tax credits and adjustments	-1900285.45	0.00	
Assessment Result	-1900285.45	1900285.45	
Net debit amount under this assessment			1900285.45
Less:			
Add:			
Section 89*quat*(2) interest on underpayment of provisional tax			93034.80
Net debit amount			1993320.25

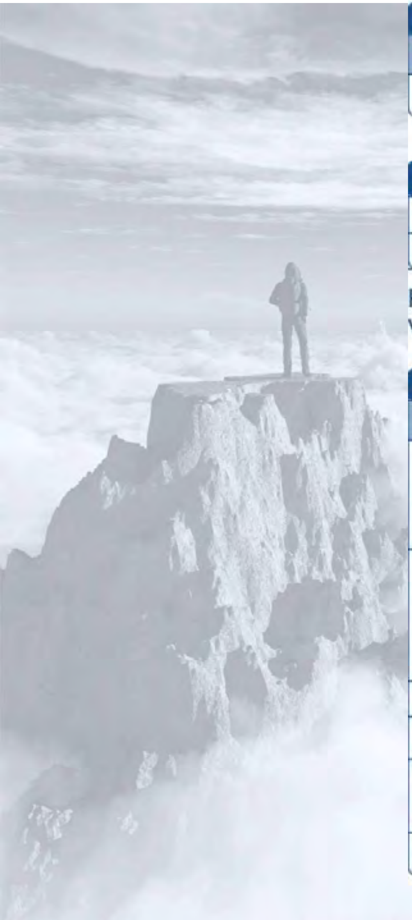
Foreign income taxed as if he was a tax resident:

This is due to his tax being declared by his previous accountants without sufficiently motivating his case or suppling SARS with the correct supporting documentation to allow for the application of the Foreign Employment Income Exemption.

They failed to identify that the client was a non-resident of South Africa and therefore was not subject to tax in South Africa on his foreign income at all.

Foreign income taxed as if he was a tax resident:

After successful dispute and motivating the correct facts, we were able to secure him a refund of R35 000. That's a saving of over R2m.



Balance of Account after this Assessment

Description	Amount
Amount refundable to you by SARS	-35368.26

Compliance Information

Unprocessed payments	0.00	Provisional taxpayer	N
Selected for audit or verification	N		

Please Note: Your assessment is not currently selected for Audit/Verification. Should this change SARS will notify you as such via an official Verification or Audit notification.

Assessment Summary Information

	Previous Assessment	Current Assessment	Account Adjustments
Income	4518806.00	-196919.00	
Deductions allowed	-23692.00	0.00	
Taxable income / Assessed Loss	4495114.00	-196919.00	
Calculated Tax Liability:			
Assessed tax after rebates (Tax calculated, Including Foreign Tax Credits discharged / refunded & additional tax / penalties)	1900285.45	0.00	
Tax credits and adjustments	0.00	-1900285.45	
Assessment Result	1900285.45	-1900285.45	
Net credit amount under this assessment			-1900285.45
Less:			
Add:			
Net credit amount			-1900285.45

PAYE Deducted Incorrectly:

Our client lives in Singapore and works for a South African employer who deducted PAYE from his salary.

He was physically present in Singapore while earning this income. SARS assessed him on his full South African salary with no exemption.

We disputed his tax return and correctly claimed the Foreign Employment Income exemption and secured him a refund of R223,000.

Transaction details

Date	Transaction reference	Transaction description	Transaction value	Transaction allocation information			Account balance
				Tax	Penalty	Interest	
2024-02-01		**Balance brought forward**		**0.00**	**0.00**	**0.00**	**0.00**
2024-07-01	60	Original assessment 2023	-230697.30	-230697.30	0.00	0.00	-230697.30
2024-06-14	62	Transfer to AdminPenalty	7000.00	7000.00	0.00	0.00	-223697.30
2024-06-14	67	Transfer to AdminPenalty reversal	-7000.00	-7000.00	0.00	0.00	-230697.30
2024-06-14	69	Transfer to AdminPenalty	5000.00	5000.00	0.00	0.00	-225697.30
2024-06-20	63	Electronic refund	223697.30	223697.30	0.00	0.00	-2000.00

Retirement Funds Withdrawals:

We were approached by a 55-year-old client residing in China. Being a non-resident of South Africa for more than 3 consecutive years, he was eligible to withdraw his retirement products from South Africa.

We assisted in conducting a due diligence process on whether this was viable or not based on his future plans.

This due diligence process considered the amount of tax payable, the potential devaluation of the Rand, and potential returns available offshore in a hard-currency investment portfolio not constrained by Regulation 28.

During this process, we identified previously unused provident fund contributions which were carried forward and could be used as a deduction in calculating the amount of tax payable upon the withdraw of his Provident Fund.

Retirement Funds Withdrawals:

South African Revenue Service

Notice of Assessment

Reference number: [redacted]

Document number: [redacted]

Year of assessment: **2024**

Code	Description and detail	Computations & adjustments	Amount assessed
Retirement fund contributions			0.00
4029	Retirement fund contributions	25743.00	0.00
	Amount b/f from previous year	0.00	
	Retirement annuity fund contributions	25743.00	
	Amount c/f to next year	-25743.00	
	Deduction limited to lessor of R350 000 or (27,5% of the greater of the taxable income R 0.00 or remuneration R 0.00)		
	Deduction limited to Taxable income excluding CGT R 0.00, excess amount R 0.00 included in carry-over amount		
Other deductions			0.00
4003	Provident fund contributions	0.00	0.00
	Amount b/f from previous year	532943.00	
	Amount c/f to next year	-532943.00	
Deductions Allowed			0.00

Retirement Funds Withdrawals:

The outcomes of our findings helped formulate the following strategy:

1. Retire in-full from his Provident Fund and utilise all Section 11(F) previously disallowed contributions.

2. Consolidate and retire from his 3 x Retirement Annuities, taking 1/3 as cash, and commuting the remaining 2/3's into a living annuity. This living annuity will be drawn at 17.5% p.a. to cover his SA life insurance policy premiums. This will be subject to income tax in SA but since he is an exclusive tax resident of China, this shall only be taxable in China as per the DTA.

3. Withdraw in-full his remaining Retirement Annuity as this is less than R247,000 according to withdrawal tables.

Retirement Funds Withdrawals:

This resulted in the client's objectives being achieved:

- ✓ Withdraw the maximum amount of funds out of South Africa as possible in the most tax-efficient manner possible.
- ✓ Provide sufficient passive income in South Africa to cover his remaining running costs in the country.
- ✓ Utilise the provisions of the prevailing DTA of his country of residence to his advantage.

How would this scenario have differed if the client resided in the United Arab Emirates?


Michael Booth CFP®( )
Associate Partner | Executive Board Member |
Certified Financial Planner®(SA)

Thank you.

Thank you

FOR MORE INFORMATION VISIT WWW.MINTACCOUNTING.CO.ZA

Mint Accounting

Mint Accounting and Tax Advisory

MINT

ACCOUNTING & TAX ADVISORY