



**Occupational Certificate Tax Technician
Initial Test of Competence Syllabus
(RPL assessment)**

Student Study Guide

TAX TECHNICIAN QUALIFICATION: [14 June 2018]

Initial Test for Competency

I. Objective

Applicants seeking to enter the Tax Technician qualification via the initial test for competency need to have a rudimentary understanding of tax issues. In the main, these applicants will come from practice after having a minimum of 6-12 months of tax experience in preparing returns. These applicants must have the skills relating to:

- The basics of applying income tax to individuals (Knowledge Area I)
- The basics of applying income tax to companies (Knowledge Area II); and
- The basics of applying value-added tax to businesses (Knowledge Area III).

These areas of knowledge include a basic knowledge of tax administration (Knowledge Area IV).

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Applicants seeking to enter as a specialist tax technician will be required to pass an initial half-day examination. This examination will be broken down into several parts. The first part will contain multiple choice and true / false questions on all issues listed below, and the subsequent parts will contain mathematical answers with brief explanations as support.

II. Recommended Study

Provided below is a conceptual and detailed outline of required subject areas of study. We are primarily drawing upon the “Notes on South African Income Tax” by Phillip Haupt as the most accessible reading tax material for the examinations. We also note that useful SARS guides exist in the case of the specialties relating to individual income tax returns, employer payroll and fringe benefits, VAT returns and tax administration (but the IT14 return material is unfortunately unhelpful for this purpose). The benefit of the SARS guides is that they can be freely found on the internet. Applicants should also have reference to the core underlying tax act sections as another alternative.

Knowledge Area I: Corporate Income Tax

1. Conceptual Knowledge

Overview

Applicants are expected to understand the initial mechanics and principles associated with the income taxation of companies in terms of daily operations. The daily operations of focus entail retail, distributors and basic producers as well as service-providers.

Basic company tax return calculations

These applicants must know how to prepare annual IT14 company returns that have straight-forward operations of providing goods and services. This knowledge begins with a basic understanding of the reduction formula for determining taxable income and rates (including the

rules associating prior year losses). These daily operations also require applicants to have a basic understanding of taxable income associated with services, trading stock and associated expenses.

Buildings, equipment and other income-producing assets

Company operations require varying amounts of capital investment to generate income. Smaller companies may own commercial buildings, machinery, equipment, vehicles, tools and other similar assets. Applicants must understand the tax implications of purchasing and utilizing (e.g. depreciating) these assets.

Provisional Tax

Applicants must understand the basic requirements of provisional returns that must be submitted by companies. This understanding should include the timing of the first and second provisional returns, top-up payments as well as related penalties.

2. Specified Reading
Basic Company Tax Return Calculations

Subject Matter	Reference	Income Tax Act Sections	Reference
	Phillip Haupt: Notes on South African Income Tax		SILKE: South African Income Tax
Overall Net Profit Formula	<ul style="list-style-type: none"> Chapter 1.3.1 and 1.3.2 	<ul style="list-style-type: none"> Section 1 (opening paragraph in relation to residents and paragraph (c) of the definition of “gross income”) Section 1 (definition of “income”) Section 1 (definition of “normal tax”) Section 1 (definition of “taxable income”) Section 5(1) and (2) Section 10 (opening) Section 11(a) Section 26A 	<ul style="list-style-type: none"> Chapter 3.1
Returns	<ul style="list-style-type: none"> IT14 	<ul style="list-style-type: none"> http://www.sars.gov.za/AllDocs/Documents/CIT/SARS_2017_LookFeel_ITR_14_v2017.00.24.Pub.pdf 	<ul style="list-style-type: none">
Trading stock	<ul style="list-style-type: none"> Chapter 10.1 (other than deemed stock (jA)), 10.2, 10.3, 10.5 and 10.14 	<ul style="list-style-type: none"> Section 1 (paragraph (a) of the definition of “trading stock”) Section 22(1), (2) and (3). Section 23C(1)(excluding the proviso) 	<ul style="list-style-type: none"> Chapter 14.1 – 14.4
Operating Deductions	<ul style="list-style-type: none"> Chapter 5.1, 5.2.1, 5.3, 5.4 (not 5.4.3 – 5.4.6, 5.4.8, 5.4.9, 5.4.11), 5.5.2, 5.5.3, 5.5.4, 5.5.5, 5.5.6, 5.5.13 and 5.5.17. Chapter 6.2, 6.10 Chapter 7.2 	<ul style="list-style-type: none"> Section 1 (definition of “trade”) Section 11 (opening and (a)), (c), (d) and (l)), Section 23(d), (e), (g) and (o) 	<ul style="list-style-type: none"> Chapter 6.1 6.2 6.3 6.5.3 6.5.8 – 6.5.14 6.6

Depreciation of movable assets	<ul style="list-style-type: none"> Chapter 7.3.1, 7.3.2 and 7.5.1 Appendix B: Wear and Tear Allowance 	<ul style="list-style-type: none"> Section 11(e) (excluding proviso (i), (iiiA), (vii) and (viii)) Section 12C(1)(a), (b), (h), (proviso (c) of subsection (1) and the further proviso) Interpretation note 47 (issue 3) (2 November 2012) 	<ul style="list-style-type: none"> Chapter 13.3.1 13.3.3
Depreciation of buildings	<ul style="list-style-type: none"> Chapter 7.18.2 (other than the recoupments) and 7.18.6 	<ul style="list-style-type: none"> Section 13(1) (opening), (a), (d), (dA), (f) and (proviso (b)), (9)(definition of “improvements”) Section 13quin(1) and (7) 	<ul style="list-style-type: none"> 13.4.1 13.4.5
Assessed Losses	<ul style="list-style-type: none"> Chapter 11.1 (opening) and 11.1.3 	<ul style="list-style-type: none"> Section 1 (definition of “trade”) Section 20(1) (opening through (b), (2) and (2A)) 	<ul style="list-style-type: none"> Chapter 12.12

Provisional Tax Administration (Companies)

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: Guide for Provisional Tax 2017 (Plus other guides / forms</i>	<i>Alternative 2: Income Tax Act and Binding SARS interpretations</i>	SILKE: South African Income Tax
Nature of the provisional tax charge	<ul style="list-style-type: none"> Chapter 15.1 	<ul style="list-style-type: none"> Chapter 1 Chapter 2 Chapter 3 Chapter 9 IRP6 	Not applicable	<ul style="list-style-type: none"> Chapter 11.1
Who is subject to provisional tax	<ul style="list-style-type: none"> Chapter 15.4.1 	<ul style="list-style-type: none"> Chapter 5 	<ul style="list-style-type: none"> Paragraph 17(1) of the 4th Schedule Paragraph 19(1)(b) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.3 Chapter 11.8
Payment due dates	<ul style="list-style-type: none"> Chapter 15.4.2 and 15.5.3 	<ul style="list-style-type: none"> Chapter 12 	<ul style="list-style-type: none"> Paragraph 20(1) of the 4th Schedule Paragraph 23 of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.4
Payment amounts	<ul style="list-style-type: none"> Chapter 15.4.1 	<ul style="list-style-type: none"> Chapter 11.5 	<ul style="list-style-type: none"> Paragraph 19(1)(b) of the 4th Schedule Paragraph 23 (excluding the “less” amount of (i) and (ii)) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.5

Penalties	<ul style="list-style-type: none"> • Chapter 15.5 	<ul style="list-style-type: none"> • Chapter 16 	<ul style="list-style-type: none"> • Section 89quat(2) and (3) • Paragraph 20 of the 4th Schedule • Paragraph 27 of the 4th Schedule 	<ul style="list-style-type: none"> • Chaper 11.9 • 11.10
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Knowledge Area II: Individual Tax Returns

1. Expected Conceptual Knowledge

Overview and Starting Mechanics of IT12 Returns

Applicants are expected to understand the basic mechanics and principles associated with submitting IT12 returns for employees. These applicants must know the basic reduction formula for determining taxable income and rates (including the existence of prior year losses). These applicants must further know how to handle employees with straight-forward forms of savings.

Standard Employment Income and Deductions

A. Gross Salary Amounts

Applicants should be fully acquainted with amounts appearing on the IRP5 return provided by employers. These applicants must accordingly be conceptually aware of the “gross income” definition as that definition relates to services and ancillary amounts typically earned by employees. These applicants must also be conceptually aware of leave pay, overtime, bonuses and variable remuneration (e.g. commissions).

B. Permissible Recurring deductions and credits

Applicants must understand the limited scope of exemptions allowed in terms of employment. Deductions for private consumption are wholly disallowed and the range of other deductions are limited under section 23(m). Within this limited ambit, applicants must have an understanding of:

- Credits and deductions directly allowable against payroll (e.g. medical, retirement contributions and donations to certain public benefit funds);
- The car, travel and subsistence allowances (and how the IT12 return typically interacts with employer withholding);
- Deductibility of donations to certain public benefit organisations;

- Limited deductibility of home office expenses; and
- Miscellaneous deductions allowed under section 23(m), such as depreciation allowances for work assets (e.g. depreciation of personal computers used for work), refunds of employer payments for failure to satisfy employer conditions and legal fees.

Retirement and Flexible Passive Savings

Applicants must know how to account for straight-forward passive savings from domestic sources. These savings amounts include:

- Pension fund annuities and pension lump sums;
- Basic interest; and
- Domestic dividends

Capital gains tax

Applicants must understand the basics associated with calculating capital gains and losses. These basics include the underlying capital gain formula, the annual exemption threshold, how net gains are taken into account for inclusion within normal taxable income (and how to account for excess losses) and the exemptions for the sale of homes and other personal assets.

Provisional Tax

Applicants must understand the basic requirements of provisional returns that must be submitted by individuals. This understanding should include the timing of the first and second provisional returns as well as top-up payments. This understanding should further cover circumstances when employee individuals are required to submit provisional returns (and the likely cause for the need to submit these returns).

2. Specified Reading

Standard Employment Income and Deductions

<i>Gross Salary Deductions</i>				
<i>Subject Matter</i>	<i>Phillip Haupt: Notes on South African Income Tax</i>	<i>Alternative 1: Comprehensive Guide to ITR12 Return for Individuals (Plus other guides / forms</i>	<i>Alternative 2: Income Tax Act and Binding SARS interpretations</i>	<i>SILKE: South African Income Tax</i>

Basic taxable income formula	Chapter 1.2 (excluding 1.2.4 through 1.2.7) Chapter 1.3	<ul style="list-style-type: none"> Chapter 4.4.1.1, 4.4.1.2, 4.4.1.3, 4.4.1.4, 4.4.1.8, 4.4.1.12 IRP 5 	<ul style="list-style-type: none"> Section 1 (paragraphs (c) and (f) of the definition of “gross income”) Section 1 (definition of “income”) Section 1 (definition of “normal tax”) Section 1 (definition of “taxable income”) Section 5(1) and (2) Section 6 (rebates) Section 10 (opening) Section 11(a) Section 26A 	<ul style="list-style-type: none"> Chapter 3.1 Chapter 3.3 3.4 3.5 3.6.1 7.2 Chapter 6.1 Chapter 7.1
Basic employer withholding	<ul style="list-style-type: none"> Chapter 15.1, 15.2.1 and 15.2.2 	<ul style="list-style-type: none"> Chapter 4.4 (opening) and 4.4.3 	<ul style="list-style-type: none"> Paragraph 2(1) (excluding subparagraph (b)) and 2(2) of the 4th Schedule Paragraph 13(1) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 10.5
Medical	<ul style="list-style-type: none"> Chapter 8.9 and 8.10 	<ul style="list-style-type: none"> Chapter 8.1 	<ul style="list-style-type: none"> Section 6A Section 6B 	<ul style="list-style-type: none"> Chapter 8.4.14 Chapter 10.2.1
Home Office Expenses	<ul style="list-style-type: none"> Chapter 5.5.1 and 5.6.11 	<ul style="list-style-type: none"> Chapter 8.6.4 	<ul style="list-style-type: none"> Section 23(a) and (b) Interpretation Note 28 (issue 2)(2011)(home office) 	<ul style="list-style-type: none"> Chapter 6.3
(Car) Travel claims, subsistence and other allowances	<ul style="list-style-type: none"> Chapter 13.3 (opening), 13.3.1, 13.3.3 and 13.3.4 	<ul style="list-style-type: none"> Chapter 8.3 	<ul style="list-style-type: none"> Section 8(1)(a)(i)(excluding (cc)), (b), (c) Regulation – GN 114, Government Gazette 37333 (2014) 	<ul style="list-style-type: none"> Chapter 8.2 8.3.1 8.3.2
Tax Rates	<ul style="list-style-type: none"> Appendix A: Tax Tables and Rates (solely paragraph 1) 	<ul style="list-style-type: none"> Chapter 11.2 2017 (SARS) Budget Tax Guide 	<ul style="list-style-type: none"> Section 1 of the Appendix I of the Tax Rates Act) 	<ul style="list-style-type: none"> Chapter 7.2

Fringe Benefits (Taxable and Exemptions)

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: Guide for Employers in respect of Fringe Benefits 2018 (Plus other guides / forms as indicated)</i>	<i>Alternative 2: Income Tax Act and Binding SARS interpretations</i>	SILKE: South African Income Tax
General concepts	<ul style="list-style-type: none"> Chapter 3.12 Chapter 13.1, 13.2.1, 13.2.2, 13.4.1 and 13.4.2 	<ul style="list-style-type: none"> Chapter 3 (opening) IRP5 Certificate 	<ul style="list-style-type: none"> Section 1 (definition of “gross income”, paragraphs (i)) Paragraph 1 (definition of “taxable benefit” excluding (b) – (d)) of the 7th Schedule Paragraph 2 (opening) of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4 Chapter 10.2.1
Employer contributions to medical aid schemes	<ul style="list-style-type: none"> Chapter 13.4.15 	<ul style="list-style-type: none"> Chapter 4.11 	<ul style="list-style-type: none"> Paragraph 2(i) of the 7th Schedule Paragraphs 12A(1) and (5) of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4.14
Employer contributions to pension funds	<ul style="list-style-type: none"> Chapter 13.4.18 	<ul style="list-style-type: none"> Chapter 6 	<ul style="list-style-type: none"> Paragraph 2(l) of the 7th Schedule Paragraph 12D of the 7th Schedule (skim for general concept) 	<ul style="list-style-type: none"> Chapter 8.4.17
Employer-Provided Vehicles	<ul style="list-style-type: none"> Chapter 13.4.5 	<ul style="list-style-type: none"> Chapter 4.3 	<ul style="list-style-type: none"> Paragraph 1 (definition of “remuneration”, paragraph (cB)) of the 4th Schedule Paragraphs 2 and 7 (excluding subparagraphs (6) through (8)) of the 7th Schedule Regulation 362, Government Gazette No. 38744 (2015) 	<ul style="list-style-type: none"> Chapter 8.4.6
Employee store discounts, token goods (e.g. T-shirts) and awards	<ul style="list-style-type: none"> Chapter 13.4.3 (other than employer-provided low cost housing) 	<ul style="list-style-type: none"> Chapter 4.1 	<ul style="list-style-type: none"> Paragraph 2(a) of the 7th Schedule Paragraph 5(1), (2) and (4) of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4.7 8.4.10
Employee discounted /	<ul style="list-style-type: none"> Chapter 13.4.11 	<ul style="list-style-type: none"> Chapter 4.2 Chapter 4.6 	<ul style="list-style-type: none"> Paragraph 2(b) and (e) of the 7th Schedule Paragraph 6 of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4.7 8.4.10

free services and use of assets (e.g. cell phone / computer usage and internet access)			<ul style="list-style-type: none"> Paragraph 10(1) (excluding subparagraph (a)), (2)(bA) and (c)) of the 7th Schedule 	
Employee meals	<ul style="list-style-type: none"> Chapter 13.4.6 	<ul style="list-style-type: none"> Chapter 4.4 	<ul style="list-style-type: none"> Paragraph 2(c) of the 7th Schedule Paragraph 8 of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4.7
Exempt Employer-funded scholarships and bursaries	<ul style="list-style-type: none"> Chapter 13.5.7 	<ul style="list-style-type: none"> Chapter 17.5 of the Guide for Employers in respect of Employees' Tax (2016) 	<ul style="list-style-type: none"> Section 10(1)(q) Paragraph 2(h) of the 7th Schedule 	<ul style="list-style-type: none"> Chapter 8.4.1

Basic Passive Savings

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: Comprehensive Guides to ITR12 Return for Individuals and the Dividends Tax (Plus other guides / forms</i>	<i>Alternative 2: Income Tax Act Official SARS Guidance</i>	SILKE: South African Income Tax
Local interest and dividends	<ul style="list-style-type: none"> Chapter 8.6 and 8.7 (excluding foreign dividends) 	<ul style="list-style-type: none"> Chapter 5.1.1 of the Comprehensive Guide to ITR12 Return for Individuals 2017 (SARS) Budget Tax Guide Chapter 1.6 of the Comprehensive Guide to Dividends Tax 	<ul style="list-style-type: none"> Section 1(definition of gross income, opening before paragraph (a)) Section 10(1)(i) and (k)(before the proviso and proviso (aa)) Section 64E(1) (skim) Section 64D (skim) Section 64G(1)(a) 	<ul style="list-style-type: none"> Chapter 4.14 Chapter 3.1

		<ul style="list-style-type: none"> • Chapter 3.1 (opening) and 3.1.1 of the Comprehensive Guide to Dividends Tax (in terms of an unlisted company paying a dividend to a natural person) • Chapter 5.1 and 5.2.1 of the Comprehensive Guide to Dividends Tax (in terms of an unlisted company paying a dividend to a natural person) 		
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Capital Gains Tax

<i>Subject Matter</i>	<i>Phillip Haupt: Notes on South African Income Tax</i>	<i>Alternative 1: SARS Guides relating to capital gains</i>	<i>Alternative 2: Income Tax Act and Binding SARS interpretations</i>	<i>SILKE: South African Income Tax</i>
Overall capital gain / loss calculation	<ul style="list-style-type: none"> • Chapter 21.3, 21.4, 21.5 and 21.6, 	<ul style="list-style-type: none"> • Chapter 4 of ABC of Capital Gains Tax for Individuals (issue 9) 	<ul style="list-style-type: none"> • Paragraph 1 (“asset” definition) • Paragraph 3(a) of the 8th Schedule • Paragraph 4(a) of the 8th Schedule • Paragraph 5 of the 8th Schedule • Paragraph 6 of the 8th Schedule • Paragraph 7 of the 8th Schedule • Paragraph 8 (excluding (b)) of the 8th Schedule • Paragraph 9 of the 8th Schedule • Paragraph 10 (excluding (b) and (c)) of the 8th Schedule • Section 26A 	<ul style="list-style-type: none"> • Chapter 17.4 – 17.6

Gain / loss per disposal	<ul style="list-style-type: none"> Chapter 21.8 and 21.9, 21.12.1 Chapter 21.13.1, 21.13.2 	<ul style="list-style-type: none"> Chapter 3 of ABC of Capital Gains Tax for Individuals (issue 8) 	<ul style="list-style-type: none"> Paragraph 11(1) Paragraph 20(1)(a) through (e), (2) (but not (c)) Paragraph 35(1) 	<ul style="list-style-type: none"> Chapter 17.7
Personal Use Assets (e.g. personal card and homes)	<ul style="list-style-type: none"> Chapter 21.15.1, 21.15.2 Chapter 21.16(opening), 21.16.1, 21.16.3, 21.16.7 	<ul style="list-style-type: none"> Chapter 5 and 6 of ABC of Capital Gains Tax for Individuals (issue 8) 	<ul style="list-style-type: none"> Paragraph 15 Paragraph 44 (definitions of Primary residence” and “residence”) Paragraph 46 Paragraph 49 (excluding (a)(ii) and (b)) Paragraph 50 Paragraph 53 	<ul style="list-style-type: none"> Chapter 17.10.1

Provisional Tax Administration (Individuals)

<i>Subject Matter</i>	<i>Phillip Haupt: Notes on South African Income Tax</i>	<i>Alternative 1: Guide for Provisional Tax 2017 (Plus other guides / forms</i>	<i>Alternative 2: Income Tax Act and Binding SARS interpretations</i>	<i>SILKE: South African Income Tax</i>
Nature of the provisional tax charge	<ul style="list-style-type: none"> Chapter 15.1 	<ul style="list-style-type: none"> Chapter 1 Chapter 2 Chapter 3 Chapter 9 IRP6 	Not applicable	<ul style="list-style-type: none"> Chapter 11.1 11.2
Who is subject to provisional tax	<ul style="list-style-type: none"> Chapter 15.4.1 	<ul style="list-style-type: none"> Chapter 5 	<ul style="list-style-type: none"> Paragraph 17(1) of the 4th Schedule Paragraph 19(1)(c) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.3 Chapter 11.7
Payment due dates	<ul style="list-style-type: none"> Chapter 15.4.2 and 15.5.3 	<ul style="list-style-type: none"> Chapter 12 	<ul style="list-style-type: none"> Paragraph 20(1) of the 4th Schedule Paragraph 21(1) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.4
Payment amounts	<ul style="list-style-type: none"> Chapter 15.4.1 	<ul style="list-style-type: none"> Chapter 11.1, 11.3 and 11.4 	<ul style="list-style-type: none"> Paragraph 19(1)(excluding (b), (d)(ii) and (e)) of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.5
Penalties	<ul style="list-style-type: none"> Chapter 15.5 	<ul style="list-style-type: none"> Chapter 16 	<ul style="list-style-type: none"> Section 89quat(2) and (3) Paragraph 20 of the 4th Schedule Paragraph 27 of the 4th Schedule 	<ul style="list-style-type: none"> Chapter 11.9 -11.10

Knowledge Area III: VAT

2. Expected Conceptual Knowledge

Overview and initial formalities

Applicants are expected to understand the basic mechanics of “output and input” calculations required for VAT 201 returns. They must also understand the underlying purpose of the VAT system. This understanding must include a solid foundation of the basic concepts of standard rated, zero rated and exempt supplies.

Applicants must understand the initial formalities associated with VAT. These initial formalities include:

- *Registration:* Applicants must understand how clients can register for VAT to become a VAT vendor – including “who may” / “who must” register for VAT and when. This understanding requires basic knowledge of the definition of “enterprise” for general private sector activities as well as the rules relating to taxable turnover that form part of the “enterprise” calculation.
- *Tax periods:* VAT vendors are required to submit VAT 201 returns periodically throughout the year. Most VAT vendors must submit returns every two months of every month.

Basic compliance in terms of taxable supplies

Applicants must understand basic VAT 201 return calculations as well as the time periods for filing returns (e.g. monthly and bi-monthly). This category of applicant is expected to have the knowledge to service small or medium size companies as well as individual businesses in terms of making these calculations. VAT technicians must also know input and output calculations for goods (both trading stock and capital) as well as services in respect of purchaser / clients mainly operating within the domestic economy.

In terms of goods, applicants should understand the rules associated with normal domestic sales and imported goods. In terms of services, applicants must understand the technical scope of “services” as defined in the VAT Act as well as the basic rules for domestic and importing services

Common Zero Rated and Exempt Supplies

Applicants must be familiar with recurring zero-rated and exempt supplies that often arise in the small and medium business sector.

In terms of zero-rated goods, applicants must be aware of the list of zero rated goods (e.g. for food and fuel. Most notably, applicants must understand zero-rating claims for exports.

Applicants must know the basics associated with exempt supplies, especially the supply of transport, education, residential rentals and straight-forward financial services (e.g. credit / debt, shares and currency). Of further importance is how to account for (i.e. exclude) direct inputs associated with exempt outputs.

2. Specified Reading

Overview and Initial Formalities

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: SARS VAT 404 (Guide for Vendors) and VAT Forms</i>	<i>Alternative 2: Precise Citations from the VAT Act and Binding SARS interpretations</i>	SILKE: South African Income Tax
General description of VAT	<ul style="list-style-type: none"> ▪ Chapter 30.1 	<ul style="list-style-type: none"> ▪ Preface and Chapter 1 of the VAT 404 (Guide for Vendors) 	Not applicable	<ul style="list-style-type: none"> • Chapter 31.1
Registration as a VAT vendor	<ul style="list-style-type: none"> ▪ Chapter 30.3.1 	<ul style="list-style-type: none"> ▪ Chapter 2.1 (opening), 2.2, 2.3.1 and 2.3.7 	<ul style="list-style-type: none"> ▪ VAT Section 1(1) (definitions of “enterprise” (but not (ii), (iv) nor (vi) and (“vendor” (but not the proviso)). ▪ VAT Section 23(1), (3)(but not (a)), and (4). 	<ul style="list-style-type: none"> ▪ Chapter 31.6
VAT Return Periods (i.e. Category of VAT vendors)	<ul style="list-style-type: none"> ▪ Chapter 30.3.5 	<ul style="list-style-type: none"> ▪ Chapter 3.1 (opening), 3.1.1, 3.1.2 and 3.2.1. 	<ul style="list-style-type: none"> ▪ VAT Section 27(1) (Categories A, B and C), (2)(a) and (b) and (3)(but not (b) and (c)). 	<ul style="list-style-type: none"> ▪ Chapter 31.4

Basic Compliance in Terms of Taxable Supplies

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: SARS VAT 404 (Guide for Vendors) and VAT Forms</i>	<i>Alternative 2: Precise Citations from the VAT Act and Binding SARS interpretations</i>	SILKE: South African Income Tax
Basic VAT calculations	<ul style="list-style-type: none"> ▪ Chapter 30.1.2, 30.2.1, 30.2.2, 30.2.3, 30.2.10, 30.2.13, 30.2.14, 30.2.16, 30.5.1, 30.5.2, 30.11, 30.12 	<ul style="list-style-type: none"> ▪ Chapter 1.4 ▪ Chapter 5.1, 5.2.1 and 5.3.1. ▪ Chapter 8.1, 8.2, 8.4.1 and 8.4.2. ▪ Chapter 10.2. ▪ VAT 201 Return 	<ul style="list-style-type: none"> ▪ VAT Section 1(1) (definitions of “consideration”, “goods” (but not (b) nor (c)), “input tax” (but not (c)), “output tax”, “services” and “supply”). ▪ VAT Section 7(1)(but not (b) nor (c)). ▪ VAT Section 9(1). ▪ VAT Section 10(2)(excluding the proviso). ▪ VAT Section 16(1), (2)(a), (3)((a)(opening) and (i)), (4)(excluding (b)). ▪ VAT Section 17(1)(opening). ▪ VAT Section 64 	<ul style="list-style-type: none"> ▪ Chapter 31.2

Common Zero-Rated and Exempt Supplies

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: SARS VAT 404 (Guide for Vendors) and VAT Forms</i>	<i>Alternative 2: Precise Citations from the VAT Act and Binding SARS interpretations</i>	SILKE: South African Income Tax
Basic zero-rated supplies (e.g. Exports of goods as well as the supply of food and fuel)	<ul style="list-style-type: none"> ▪ Chapter 30.6 (opening), 30.6.1 (before documentation), 30.6.4, 30.6.5 (basic foodstuffs) 	<ul style="list-style-type: none"> ▪ Chapter 6.3 (opening), 6.3.1 and 6.3.2. ▪ Chapter 12.1 (opening). 	<ul style="list-style-type: none"> ▪ VAT Section 1 (definition of “exported” (paragraph (a))). ▪ VAT Section 11(1)((opening), (a)(i), (h) and (j)). ▪ VAT Schedule 2 ((Part B). 	<ul style="list-style-type: none"> ▪ Chapter 31.10
Basic exempt supplies	<ul style="list-style-type: none"> ▪ Chapter 30.7.3, 30.7.4 and 30.8.1 	<ul style="list-style-type: none"> ▪ Chapter 7.1, 7.3, 7.5 and 7.6 	<ul style="list-style-type: none"> ▪ VAT Section 2(1)((opening) up to (f)). ▪ VAT Section 12((opening), (a), (g) and (h)). ▪ VAT Section 17(1)(but not the provisos). 	<ul style="list-style-type: none"> ▪ Chapter 31.11

Knowledge Area IV: General Tax Administration

1. Expected Conceptual Knowledge

Applicants within this category must understand the basic rules associated with general tax administration, including: record-keeping requirements, the process of assessments and additional assessments, penalties / interest as well the basics of administrative objection and appeal.

2. Specified Reading

General Tax Administration (Core)

<i>Subject Matter</i>	Phillip Haupt: Notes on South African Income Tax	<i>Alternative 1: Short Guide to the Tax Administration Act</i>	<i>Alternative 2: Precise Citations from the Tax Administration Act and Binding SARS Interpretations</i>	SILKE: South African Income Tax
Records	<ul style="list-style-type: none"> • Chapter 33.7 (ignore reportable arrangements) 	<ul style="list-style-type: none"> • Chapter 4.2.1, 4.2.3 and 4.2.4 	<ul style="list-style-type: none"> • Tax Administration Act Sections: 29 and 30 	<ul style="list-style-type: none"> • Chapter 33.4
Common Penalties	<ul style="list-style-type: none"> • Chapter 33.18 and 33.19.1 	<ul style="list-style-type: none"> • Chapter 15.1, 15.2, 15.3, 15.4, and 15.6 • Chapter 16.1, 16.2, 16.3 and 16.4, 16.5.1 and 16.5.2 	<ul style="list-style-type: none"> • Tax Administration Act Sections: 210, 211(1) and (2), 213, 221 (definitions of “substantial understatement” and “understatement” excluding (e)), 222(1), (2) and (3)(a), 223(1) 	<ul style="list-style-type: none"> • Chapter 33.10 •
Interest on under-payments and over-payments	<ul style="list-style-type: none"> • Chapter 33.15 	<ul style="list-style-type: none"> • Chapter 12.2.1 and 12.2.2. 	<ul style="list-style-type: none"> • Tax Administration Act Sections: 187(1), (2), (3)(b) and (f), 188, 189(1), (2) and (3) 	<ul style="list-style-type: none"> • Chapter 33.8.9
Assessments, objections and appeals	<ul style="list-style-type: none"> ▪ Chapter 33.11 	<ul style="list-style-type: none"> ▪ Chapter 8.1, 8.2 (excluding 8.2.3 and 8.2.4) ▪ Chapter 9.4.1, 9.5 (opening) and 9.5.1 	<ul style="list-style-type: none"> ▪ Tax Administration Act Sections: 1)(definitions of “assessment” and “original assessment”, 91(1) and (2), 92, 96, 99(1)(a) and 99(2)(b), 104(3) through (5) 	<ul style="list-style-type: none"> ▪ Chapter 33.5 ▪ 33.12

			<ul style="list-style-type: none">▪ Rule 6 of Government Notice 550 (Gazette No. 37819) (11 July 2014)▪ ITA34 Assessment	
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