

Office
Head Office

Enquiries
Emmanuel Gumbi

Telephone
012 483 1733

Facsimile
010 208 3301

PBO Reference No.
930066307

Income Tax Reference No.
9999651160

Date
30 September 2019

THE PUBLIC REPRESENTATIVE
COMMUNITY CONSERVATION FUND-AFRICA NPC
PO BOX 285
PORT ELIZABETH
6000

271 Veale Street
Brooklyn, Pretoria
PO Box 11955, Hatfield, 0028
Tel: +27 (12) 483-1700
www.sars.gov.za
teu@sars.gov.za

Dear Sir / Madam

INCOME TAX EXEMPTION APPROVED: COMMUNITY CONSERVATION FUND-AFRICA NPC

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act with effect from 30 July 2018. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. The PBO has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be 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 30 September 2019.
2. The PBO has been approved for purposes of section 18A(1)(b) of the Act and donations to the organisation will be 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 30 September 2019.
3. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
4. 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 its exempt status, the PBO must comply with the following conditions:

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. Furthermore, given the section 18A approval granted, you must submit with your annual tax return, a statement and supporting documentation which include the full particulars of all the receipts issued in respect of deductible donations and how these funds were spent.
7. The section 18A(1)(a) approval is ring-fenced as the organisation is also conducting activities that are not listed in Part II of the Ninth Schedule to the Act, and conducts certain activities outside of South Africa. This means that:
- a) Section 18A receipts may only be issued for those public benefit activities listed in Part II of the Ninth Schedule to the Act which are carried on in the Republic. These activities include:
 - i. The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects (paragraph 4.3 of the founding document).
 - ii. Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere (paragraph 4.4 of the founding document).
 - iii. The provision of scholarships, bursaries and awards for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette (paragraph 4.5 of the founding document).
 - b) Section 18A receipts may not be issued for any donations received in support of activities listed only in Part I of the Ninth Schedule or are conducted outside of South Africa, which are listed below:
 - i. The provision of support services to, or promotion of the common interests of public benefit organisations contemplated in section 30 or institutions, boards or bodies contemplated in section 10(1)(cA)(i), which conduct one or more public benefit activities contemplated in Part I of the Ninth Schedule (assistance to registered PBOs other than in the form of the provision of funds as contemplated in paragraph 4.1 of the founding document; and the training, support or assistance provided to a registered PBO as per paragraph 4.2.2 of the founding document).
 - ii. The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects carried on outside of South Africa (paragraph 4.2 of the founding document).
 - c) The funds received for Part II activities must be kept separately from the other funds of the organisation (i.e. in a separate bank account) and recorded in separate books or accounts to be provided to SARS on request.
 - d) A certificate signed by a registered auditor, must be obtained annually and submitted to SARS on request, to confirm that all donations, for which tax-deductible receipts were issued, were utilised exclusively for Part II activities.

8. The PBO must distribute at least 50% of the donations received, in respect of which tax deductible receipts were issued, in the year following the year during which the donations were received.
9. Funds for which section 18A certificates are issued may only be distributed to PBOs conducting the public benefit activities listed in Part II of the Ninth Schedule to the Act, which are carried on in the South Africa.
10. Funds for which section 18A certificates are issued may only be used in South Africa. A certificate signed by an auditor must be submitted to SARS on request, to confirm that all donations, for which tax-deductible receipts were issued, were utilised in South Africa.
11. Tax deductible receipts may only be issued for *bona fide* donations. Refer to Annexure A for more information in this regard.
12. 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.
13. The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of annual income tax return and section 18A supporting documentation.
14. 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 your 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. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely



Emmanuel Gumbi
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