

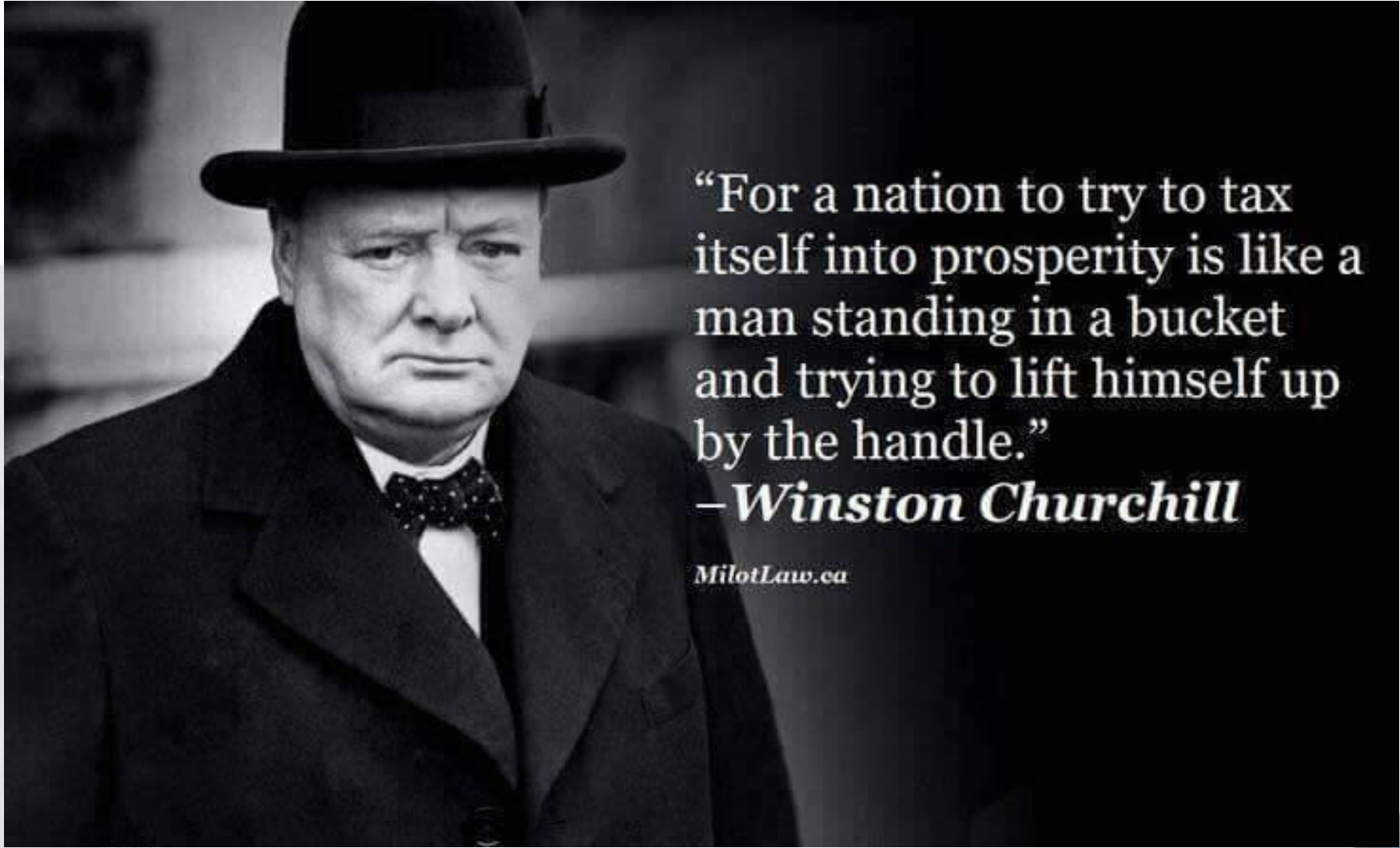


The Global Business
ROUNDTABLE

8TH ANNUAL WORLD CONGRESS 2018

17-20 April
Sandton
Convention Centre
Johannesburg South Africa

***“Africa, The Next Frontier for
Economic Development”
Trade and Investment Summit 2018***



“For a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.”

– *Winston Churchill*

MilotLaw.ca



The Global Business
ROUNDTABLE

8TH ANNUAL
**WORLD
CONGRESS
2018**

INTRODUCTION

FACTS:

- Taxes **MUST** be paid, otherwise;
 - Reliance on external partners
 - Debt
 - (Matthew 17:24-27)
- Paying taxes is not the nicest of things
- Effective Tax **POLICIES** and **ADMINISTRATION** are critical for economic development

REVENUE ADMINISTRATION MANDATE

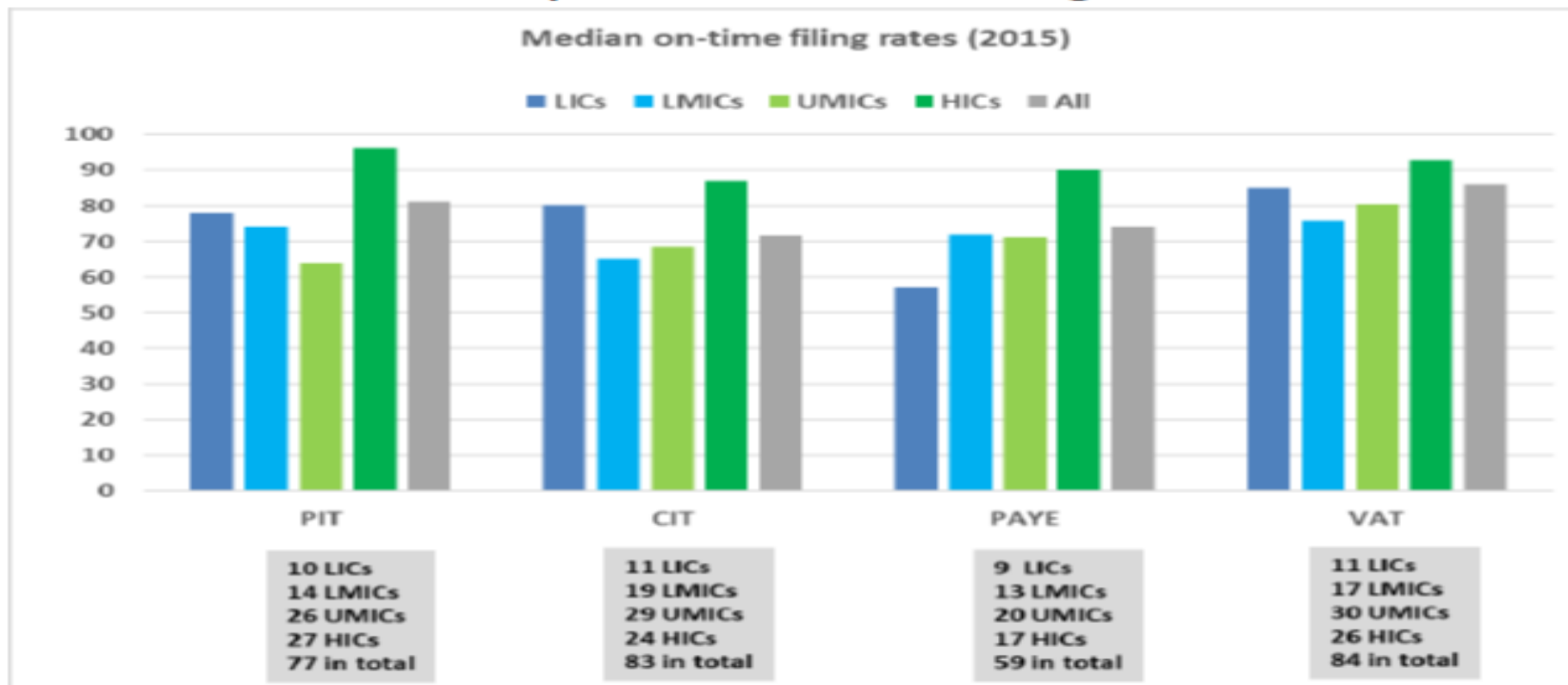
Administer promulgated revenue and customs legislation.

Collect revenue and remit to Government.

Advise government on tax policies.

TAX COMPLIANCE

Compliance: on-time filing rates



Source: ISORA 2016 Form 6A



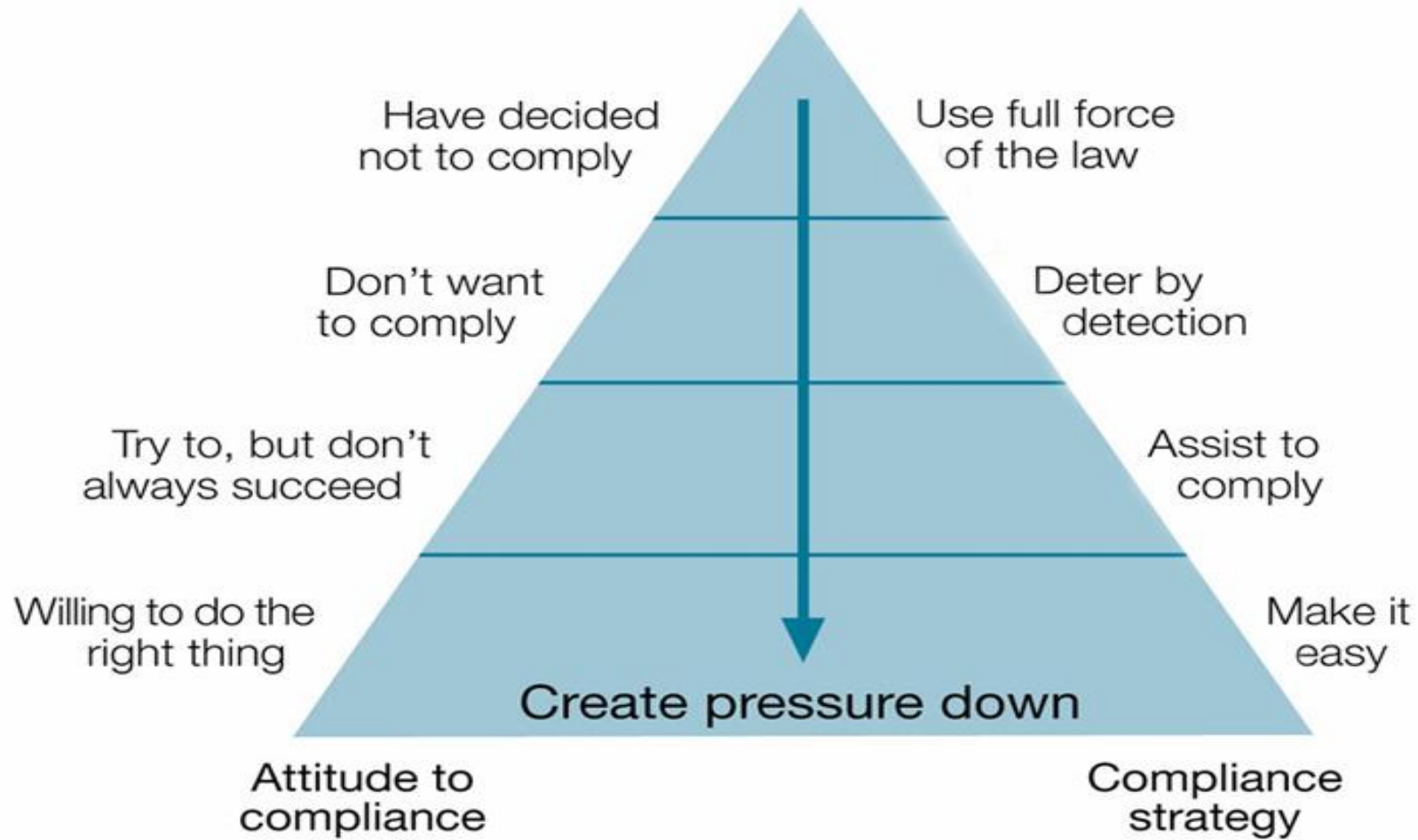
The Global Business
ROUNDTABLE

8TH ANNUAL
**WORLD
CONGRESS
2018**

DRIVERS OF COMPLIANCE

- EASE OF PAYING TAXES:
 - Complexity of tax legislation
 - Complexity of Forms
 - Facilities availed to taxpayers
 - Cost of Compliance
- TAX MORALE
 - Quality of expenditure
 - Corruption

THE COMPLIANCE TRIANGLE



COMPLIANCE MADE EASY

- Relatively simple tax code
- Small Taxpayer Regime
- Simplification of Forms
 - Pre-population where possible
- E-platforms

COMPLIANCE MADE EASY

E-tax

Sekulula
Revenue
Administrator
(VRA)

Online
payments
through
banks

ASYCUDA
World
System

Deferred
Payment
System

Self-
assessments



The Global Business
ROUNDTABLE

8TH ANNUAL
**WORLD
CONGRESS
2018**

TAX INCENTIVES

Legislated tax concessions.

- Development Approval Order – manufacturing sector.
- Capital allowances, i.e., machinery, infrastructure.
- Specific deductions on Learning and Development.
- Special Economic Zone

Intangible business incentives.

- Stable Country.
- Membership of RECs

SD MEMBERSHIPS

1. SACU

- 4 members.
- Population - 61 million.

2. SADC

- 15 member states.
- Population - 257.7 million
- GDP ~ US\$ 471.1 billion.

3. COMESA

- Population - 492 million.
- GDP ~ US\$ 682 billion

TRADE AGREEMENTS

TRADE AGREEMENTS:

1. SACU-EFTA;
2. SACU-MERCOSUR;
3. EU-SADC Economic Partnership Agreement;
4. AGOA.
5. Canada (Canada GSP).

GENERAL OBSERVATIONS

1. Race to the Bottom compromises Domestic Resource Mobilization
2. FDI targeting Preferential Markets
 - Aggressive tax planning – HQs in tax havens
 - Transfer pricing
 - Profit Shifting through trade mis-pricing
3. Poor record keeping by SMME's
 - Payment of taxes that are not due

CONCLUSION

1. Importance of Domestic Resource Mobilization
2. Importance of Tax policies that support investment
3. Development of local private sector critical
 - Sensitize them on market opportunities and help them meet required standards
4. There is a need to teach our people about tax.
5. Critical for African Countries to stand together to avoid the race to the bottom.

THANK YOU!!



The Global Business
ROUNDTABLE

8TH ANNUAL
**WORLD
CONGRESS
2018**