

TAX EXEMPTION UNIT



Enquiries
Ursula Muller

Telephone
(012) 422 8809

Facsimile
(012) 422 8830

E-mail
umuller@sars.gov.za

PBO No.*
930030773

Date
21 August 2009

Ms T Potgieter
Price Waterhouse Coopers
PO Box 35296
MENLO PARK
0102

South African Revenue Service

Tax Exemption Unit (TEU)
Pro Equity Court
1250 Pretorius Street
Hatfield, 0028

PO Box 11955,
Hatfield, 0028

Switchboard : (012) 422 8800
Fax No : (012) 422 8830
E-mail : teu@sars.gov.za
SARS online : www.sars.gov.za

*Please quote both reference numbers in your correspondence with TEU.

Dear Madam

EXEMPTION FROM TAXES AND DUTIES: VULNERABLE CHILDREN'S FUND

Your application for exemption from income tax refers.

1. It is confirmed that:-

1.1 the association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act;

1.2 the public benefit organisation has been approved for purposes of section 18A(1)(b) of the Act and donations to the organization 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;

1.3 donations by or to the public benefit organisation are exempt from donations tax in terms of section 56(1)(h) of the Act;

1.4 bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955; and

2. Kindly note that the relevant exemptions are subject to the following conditions:

2.1 The exemptions approved in paragraph 1 above, are subject to review on an annual basis upon receipt of the annual financial statements and annual income tax returns, which must be submitted to the Tax Exemption Unit, together with a statement and supporting documentation which must include full particulars of the receipts issued in respect of deductible donations in terms of section 18A and how these funds were expended.

2.2 The public benefit organisation must during the year of assessment preceding the year of assessment of such public benefit organisation during which the donation is received, distributed or incurred the obligation to so distribute at least 75 per cent of the funds received by such organisation by way of donations which qualified for a deduction in terms of section 18 A: Provided that the Commissioner may, upon good cause shown and subject to such conditions as he or she may determine, either generally or in a particular instance, waive, defer or reduce the obligation to distribute any funds, having regard to the public interest and the purpose for which the relevant organisation wishes to accumulate those funds.

2.3 **The public benefit organisation provides funds to public benefit organisations, institutions; boards or bodies that carry on public benefit activities contemplated in Part II of the Ninth Schedule and to other entities (who carry on public benefit activities listed in Part I of the Ninth Schedule). Therefore, the public benefit organisation may only issue a receipt contemplated in subsection (2) in respect of any donation to the extent that the donation will be utilised solely to provide funds to a public benefit organisation, institution, board or body contemplated in section 18A(1)(a), which will utilise those funds solely in carrying on activities contemplated in Part II of the Ninth Schedule.**

2.4 **The public benefit organisation must together with its annual return for a year of assessment submit to the Commissioner an audit certificate confirming that all donations received or accrued in that year in respect of which tax deductible receipts were issued were utilised in the manner contemplated in 2.3 above.**

2.5 The following information must be given on the tax deductible receipts issued:

2.5.1 the reference number of the public benefit organisation, issued by the Commissioner for the purposes of this section; (the pbo. number quoted on this letter.)

2.5.2 the date of the receipt of the donation;

2.5.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;

2.5.4 the name and address of the donor;

2.5.5 the amount of the donation or the nature of the donation (if not made in cash);
and

2.5.6 a certification to the effect that the receipt is issued for the purposes of section 18A of The Income Tax Act, 1962, and that the donation has been or will be used exclusively for the object of the public benefit organisation concerned.

2.6 The public benefit organisation will within a period of 12 months; formally amend the founding document to comply with the provisions of section 30 of the Act or whenever an amendment is effected to the founding document, whichever date occurs first.

Please note that the Tax Exemption Unit is a dedicated national office that has been established by the Commissioner to provide a quality service to all our clients. Should you therefore have any further queries pertaining to tax exemption matters, please do not hesitate to revert to the undersigned at your earliest convenience.

Yours faithfully



UFR Muller (Ms)

Tax Exemption Analyst

FOR THE COMMISSIONER OF THE SOUTH AFRICA REVENUE SERVICES