

Enquiries
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Date
19 March 2012

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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
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*Please quote pbo number in your
correspondence with TEU.

Dear Sir

EXEMPTION FROM TAXES AND DUTIES: RECM FOUNDATION

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 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;
- 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 (IT12EI), which must be submitted to the Tax Exemption Unit. Furthermore, 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 must also be submitted.

- 2.2 The public benefit organisation will within 12 months after the end of the relevant year of assessment distribute or incur the obligation to distribute at least 75 per cent of the funds received by way of donation during that year in respect of which receipts were issued: 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 following information must be given on the tax deductible receipts issued:
- 2.3.1 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.)
 - 2.3.2 the date of the receipt of the donation;
 - 2.3.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;
 - 2.3.4 the name and address of the donor;
 - 2.3.5 the amount of the donation or the nature of the donation (if not made in cash); and
 - 2.3.6 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.
- 2.4 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 visit our website for full details about the exemptions granted, which is contained in the public benefit organisations guide: www.sars.gov.za - tax payers - exempt organisations - publications.

Yours faithfully



UFR Muller

Tax Exemption Analyst

FOR THE COMMISSIONER OF THE SOUTH AFRICAN REVENUE SERVICES