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Reference*
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Date
19/08/2013

The Public Representative
AFRICAN CENTRE FOR SOCIAL CHANGE NPC
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271 Veale Street
Brooklyn, Pretoria
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Tel: +27 (12) 483-1700
www.sars.gov.za
teu@sars.gov.za

Dear Sir / Madam

APPLICATION FOR INCOME TAX EXEMPTION APPROVED: AFRICAN CENTRE FOR SOCIAL CHANGE NPC

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as you meet 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. 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 public benefit organisation 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.
2. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
3. 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 your exempt status, the following conditions must be complied with:

1. Where applicable, amend the founding document stipulating the requirements of the exemption approved. A signed copy of the amended founding document must be submitted to the Tax Exemption Unit (TEU) within 12 months by:
 - Scanning and emailing the document to teu@sars.gov.za or
 - Posting these to: PO Box 11955, Hatfield, 0028.
2. 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.
2. Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling or manually. Your IT12EI can be obtained by
 - o Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
 - o Calling the SARS Contact Centre on 0800 00 SARS (7277)
 - o Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
 - o Requesting an IT12EI by visiting your local SARS branch.
 3. Furthermore, given the S18A 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.
 4. 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 S18A supporting documentation.
 5. **The public benefit organisation *may not issue tax deductible receipts* i.r.o. any donation to the extent that the donation will be utilised in carrying on the approved public benefit activity listed in paragraph 6(a), Part I of the Ninth Schedule to the Act, namely:**

“The advancement, promotion or preservation of arts, culture or customs”.

6. **The public benefit organisation *may only issue tax deductible receipts* in respect of any donation to the extent that the donation will be utilised solely in carrying on the public benefit activities listed in paragraph 1(a), 1(f) and 4(o) in Part II of the Ninth Schedule to the Act, namely:**

“The rehabilitation, care or counselling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.”

“The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.”

“The provision of primary health care education, sex education or family planning.”

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 point 6 above.

7. 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



Michael Dayile
Tax Exemption Unit

ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE