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- Pastel Accounting
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**July 2018 Newsletter**

**CIPC Launches Digital Financial Reporting Solution**



The ease of doing business and particularly reducing the regulatory burden for businesses received a boost with the launch of Companies and Intellectual Property Commission (CIPC's) Extensible Business Reporting Language (XBRL), a Digital Financial Reporting Solution at the Johannesburg Stock Exchange (JSE) in Sandton. The system will allow companies to file Annual Financial Statements using this mechanism and the data could be shared across the regulatory spectrum for multiple purposes. Speaking at the launch of the XBRL, the Minister of Trade and Industry, Dr Rob Davies said while there are many challenges with the Fourth Industrial Revolution, it does offer the possibilities of improving governance.

According to Davies, the Extensible Business Reporting Language (XBRL) will align the submission of annual financial statements with that of the global reporting standards for businesses. The programme will also mitigate the administrative burden on businesses when reporting financial information to government for regulatory compliance.

The Companies and Intellectual Property Commission (CIPC), Advocate Rory Voller said XBRL will assist companies with filing annual financial statements to egress from PDF reporting format, to a structured format.

"By using XBRL, companies and other producers of financial data and business reports can automate the processes of data collection. This will ultimately reduce the burden of multiple submissions by different regulators. We are satisfied with the results and believe the system offers users long-term benefits, especially if they integrate it with their back-end systems," said Voller. Voller noted that XBRL reporting applies to about 100 000 qualifying entities in South Africa.

**Fourth Industrial Revolution**

Industry Ministers from BRICS countries recently signed a declaration on the implementation of the Digital Industrial Revolution (DIR). South Africa's Trade and Industry Minister Rob Davies said he and his counterparts had discussed issues of skills development and capacity building for the fourth industrial revolution or DIR.

*"We adopted a declaration. The gist of it is that we have been talking about partnerships within BRICS to prepare us all for the fourth industrial revolution and to ensure that the benefits of this are widely defused and they outweigh the risks and downsides"*

The Fourth Industrial Revolution is the fourth major industrial era since the initial industrial revolution of the 18th century. It is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres. It is marked by emerging technology breakthroughs in a number of fields, including robotics, artificial intelligence, blockchain, nanotechnology, quantum computing, biotechnology, The Internet of Things, 3D printing and autonomous vehicles. It is disrupting almost every industry in every country. The breadth and depth of these changes herald the transformation of entire systems of production, management, and governance.

The fourth wave of the industrial revolution is expected to see the heavy implementation of several emerging technologies with a high potential of disruptive effects. If are a key decision maker in your business, it is imperative that you build forward looking strategies into your business plan that deal with potential disruption to your existing business model.



**National Health Insurance (NHI) - Can We Afford it?**

The recently gazetted NHI Bill has caused much debate. While it cannot be disputed that as a society we need to ensure that all have access to quality healthcare, it has to be done on a successful economic basis. Last year, the Davis Tax Committee commented as follows:

***"The proposed NHI, in its current format, is unlikely to be sustainable unless there is sustained economic growth."***

With negative growth for the first quarter we certainly are nowhere near sustained economic growth – the launching of the NHI in its current format is probably premature. We will keep you informed on future developments.

**Some key points:**

- NHI is a health financing system that pools funds to provide access to quality health services for all South Africans based on their health needs and irrespective of their socio-economic status.
- It will need a massive reorganisation of the current health system, both public and private
- This cannot be achieved without creating a single common fund, which in itself will directly contribute towards:
  - a unified health system by improving equity in financing,
  - reducing fragmentation in funding pools across both the public and private sectors, and
  - making health care delivery more affordable and accessible for the population

**Transitional Arrangements**

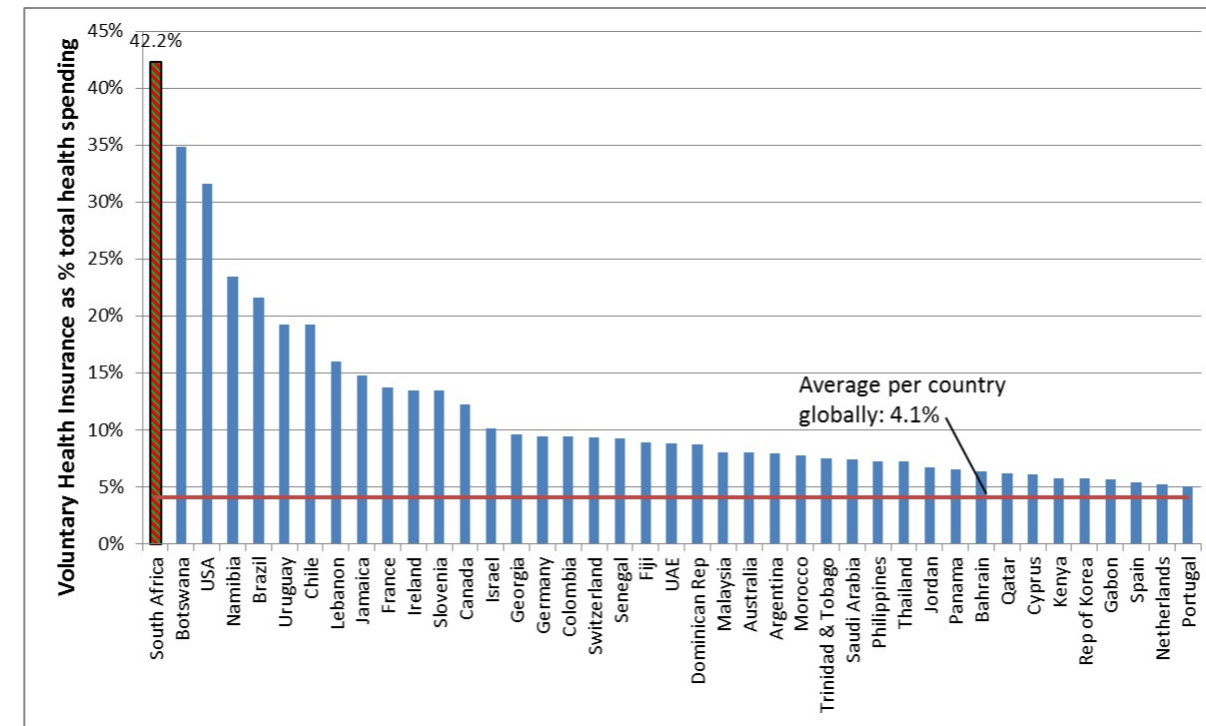
Phase 1 was from 2012 to 2017.

Phase 2 will be for a period of five years from 2017 to 2022 and will:

- continue with the implementation health system strengthening initiatives, including the alignment of human resources with that which will be required under the Fund;
- include the development of National Health Insurance legislation and amendments to other legislation;
- include the undertaking of Initiatives which are aimed at establishing institutions that will be the foundation for a fully functional Fund

Phase 3 will be for a period of four years from 2022 to 2026 and will include—

- the continuation of Health systems strengthening activities on an ongoing basis;
- the mobilisation of additional resources as approved by Cabinet; and
- the selective contracting of healthcare services from private providers.



**Tax Season 2018 For Individuals**

The 2018 Tax Season for Individuals opened on 1 July 2018. Deadlines are as follows:



Channel	Deadline	Type of Taxpayer
Manual - post or at SARS Branch	21 September 2018	Non-provisional and provisional
eFiling or electronic filing at SARS Branch	31 October 2018	Non-provisional
eFiling	31 January 2019	Provisional

**Who is a Provisional Taxpayer?**

Any person who receives income (or to whom income accrues) other than a salary, is a provisional taxpayer. Most salary earners are therefore non-provisional taxpayers, if they have no other sources of income. It is important to note that receiving exempt income, as follows, does not make you a provisional taxpayer:

- If you receive interest of less than R23 800 if you are under 65 or;
- If you receive interest of less than R34 500 if you are 65 and older or;
- You have income in a tax-free savings account.

**Don't file if you don't need to**

You do not need to submit a return if **ALL** the criteria below apply to you:

- Your total employment income / salary for the year (March 2017 to February 2018) before tax (gross income) was not more than R350 000; and
- You only received employment income / salary for the full year of assessment (March 2017 to February 2018) from one employer; and
- You have no car allowance/company car/ travel allowance or other income (e.g. interest or rental income); and
- You are not claiming tax related deductions/rebates (e.g. medical expenses, retirement annuity contributions other than pension contributions made by your employer, travel).

Should you have any queries please do not hesitate to contact us for professional advice.

Sincerely,

