

**TAX EXEMPTION UNIT**

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PBO File No. *
18/11/13/2584

Date
December 2011

The Treasurer
Rotary Club of Durban North
PO Box 20209
DURBAN NORTH
4016

South African Revenue Service

SARS: TEU
Pro-Equity Court
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***Please quote the file numbers in your correspondence with TEU.**

Dear Madam

EXEMPTION FROM TAXES AND DUTIES AND APPROVAL IN TERMS OF SECTION 18A: ROTARY CLUB OF DURBAN NORTH

I refer to your letter dated 27 October 2011.

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. (Previously confirmed on 13 September 2005.)
- 1.2 the public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation in terms of the following public benefit activities 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. The following public benefit activities must be ring-fenced.

- The provision of poverty relief;

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- **Adult basic education and training", as defined in the Adult Basic Education and Training Act, 2000, (Act No. 52 of 2000), including literacy and numeracy education.**
 - **Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere.**
 - **Building and equipping of clinics or crèches or the benefit of the poor and needy.**
- 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.**
- 2. Kindly note that the relevant exemptions are subject to the following conditions:**
- 2.1 Annual returns of income be submitted to the Tax Exemption Unit together with a certificate of an auditor to the effect that all donations for which tax-deductible receipts were issued were utilised solely in carrying out such eligible public benefit activities.**
- 2.2 The following information must be given on the tax deductible receipts issued:**
- 2.2.1 the reference number of the public benefit organisation, issued by the Commissioner for the purposes of this section; (The reference number quoted on this letter [18/11/13/2584].)**
- 2.2.2 the date of the receipt of the donation;**
- 2.2.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;**
- 2.2.4 the name and address of the donor;**

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

2.2.6 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.

2.3 The public benefit organisation must, formally amend the founding document to comply with the provisions of section 30 of the Income Tax Act within a period of 12 months from the date hereof.

Sincerely


Mrs. FM Gomes
Tax-Exemption Analyst
for THE COMMISSIONER SOUTH AFRICAN REVENUE SERVICE